

# George Municipality

## Budget 2012/13 to 2014/15

Medium Term Revenue and  
Expenditure Framework

**March 2012**



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## Glossary

|                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adjustments Budget</b> – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.                                                                                                                                                                                                        |
| <b>Allocations</b> – Money received from Provincial or National Government or other municipalities.                                                                                                                                                                                                                                                             |
| <b>Budget</b> – The financial plan of the Municipality.                                                                                                                                                                                                                                                                                                         |
| <b>Budget Related Policy</b> – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.                                                                                                                                                                            |
| <b>Capital Expenditure</b> - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.                                                                                                                                                                               |
| <b>Cash flow statement</b> – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period. |
| <b>DORA</b> – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.                                                                                                                                                                                                                      |
| <b>Equitable Share</b> – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.                                                                                                                                                                                                                                 |
| <b>Fruitless and wasteful expenditure</b> – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.                                                                                                                                                                                                                   |
| <b>GFS</b> – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.                                                                                                                                                                                               |
| <b>GRAP</b> – Generally Recognised Accounting Practice. The new standard for municipal accounting.                                                                                                                                                                                                                                                              |
| <b>IDP</b> – Integrated Development Plan. The main strategic planning document of the Municipality                                                                                                                                                                                                                                                              |
| <b>KPI's</b> – Key Performance Indicators. Measures of service output and/or outcome.                                                                                                                                                                                                                                                                           |
| <b>MFMA</b> – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.                                                                                                                                                                                                              |
| <b>MTREF</b> – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.                                                                                      |
| <b>Operating Expenditure</b> – Spending on the day to day expenses of the Municipality such as salaries and wages.                                                                                                                                                                                                                                              |

|                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rates</b> – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.                            |
| <b>SDBIP</b> – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.                                                           |
| <b>Strategic Objectives</b> – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.                              |
| <b>Unauthorised expenditure</b> – Generally, spending without, or in excess of, an approved budget.                                                                                                              |
| <b>Virement</b> – A transfer of budget.                                                                                                                                                                          |
| <b>Virement Policy</b> - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget. |
| <b>Vote</b> – One of the main segments into which a budget is divided, usually at directorate / department level.                                                                                                |

## **Part 1 – Annual Budget**

### **1.1 Foreword**

Section 9 of the Budget Regulations stipulates that the annual budget and supporting documentation of a municipality must be in the format specified in Schedule A. The municipality's budget has been prepared in the said format.

### **1.2 - Council Resolutions**

On 29 March 2012 the Council of George Municipality had a meeting to table the draft annual budget for the year 2012/13. The Council noted the following resolutions:

- (a) that the following draft policies be approved:
  - (i) Customer care, credit control and debt collection;
  - (ii) Indigent policy;
  - (iii) Tariff policy;
  - (iv) Property rates policy;
  - (v) Cash Management and Investment Policy;
  - (vi) SCM Policy;
  - (vii) Asset Management Policy;
  - (viii) Virement Policy.
- (b) that the draft annual budget for the financial year 2012/13 and indicative outer years 2013/14 and 2014/15 be approved as set-out:
  - (i) Capital expenditure by project as contained in annexure "B" to the agenda;
  - (ii) Capital funding by source as contained in annexure "B" to the agenda;
  - (iii) Operating revenue by source as contained in Table A4 of the report;
  - (iv) Operating expenditure by type as contained in Table A4 of the report;
- (c) that property rates as reflected in the report be imposed for the budget year 2012/13;
- (d) that tariffs and services charges as reflected in the formal tariff list be approved for the budget year 2012/13;
- (e) that the draft Service Delivery and Budget Implementation Plan (SDBIP) be approved for the budget year 2012/13 as contained in annexure "C" to the agenda;
- (f) that the capital funding, both internal and external funding, be secured prior to the commencement of any new capital project;

- (g) that the draft annual budget documentation for 2012/13 – 2014/15 as outlined in the budget regulations be submitted to National and Provincial Treasury.

### 1.3 – Budget 2011/12 Mid-year Review and adjustments budget

The following table shows the original and adjustments budget for 2011/12.

| <b>R'000</b>          | <b>Original<br/>Budget<br/>2011/12</b> | <b>MYR<br/>Adjusted<br/>Budget<br/>2011/12</b> | <b>Difference</b> |
|-----------------------|----------------------------------------|------------------------------------------------|-------------------|
| Capital               | R162 912                               | R133 325                                       | -R29 587          |
| Operating Income      | R988 486                               | R1 062 196                                     | -R73 710          |
| Operating Expenditure | R965 196                               | R994 091                                       | -R28 895          |

The 2011/12 adjustments budget was taken into account in the preparation of the 2012/13 MTREF. In particular, the capital budget must be set at a level that is realistic in terms of the capacity to deliver.

### 1.4 – Executive Summary

The Budget Committee was confronted with numerous challenges during the budget process. The following had an impact:

- The continued negative effect of the economic downturn;
- The addressing of an impending shortfall in the adjustments budget in February 2012 and its effect on the available funding;
- The funding constraints with regards to the funding of the Capital Budget;
- The fact that George Municipality is “over borrowed”;
- Nersa’s directive that bulk purchases will increase by 13,5% for municipalities and municipal electricity tariff increase should not exceed 11,03%.

The following strategy decisions as contained in Council’s Long Term Financial Plan underpin the draft budget:

- (a) The municipality needs to focus on its core functions. During the adjustments budget the Budget Committee, Portfolio Councillors in conjunction with the Heads of Departments, scrutinised the budget to affect all possible savings;
- (b) The need to maximise income through effectiveness and not necessary rates and service charge increases was again emphasised. Targets have been determined in certain cases;

- (c) A separate income enhancement exercise is in a planning phase to determine whether all consumers are billed and are contributing to the municipality's income;
- (d) Sufficient provision for debtor's impairment should be made in the 2012/2013 operating budget. The writing off of bad debt will also be scrutinized to ensure that this is done within proper credit control measures;
- (e) Provision should be made for a contribution to the capital replacement reserve (CRR) in the 2012/13 operating budgets;
- (f) The policy relating to capital contributions is being scrutinised to ensure that the municipality does not subsidise developers in terms of infrastructure developments;
- (g) Greater emphasis is put on cash management to improve liquidity;
- (h) The Budget Committee emphasised the fact that the 2012/2013 budget will be a maintenance budget contained within available cash funds without new capital projects funded from loans;
- (i) All attempts need to be made to maximise National and Provincial Government grants to fund capital projects;
- (j) The marketing of available land is being reconsidered in an attempt to improve the sale of land.

The 2011/12 adjustment budget in February 2012 again proved that the ability of Council to reduce costs is limited due to the fact that the fixed cost component of the operating budget exceeds the variable costs by far. The adjustments budget nonetheless defined the basis for the draft budget.

Salaries, depreciation, interest on external loans and bulk purchases of electricity absorbs ±60% of the budget.

In spite of the abovementioned challenges, the Budget Committee, with the exception of electricity sales, managed to restrict all tariff increases to single digit increases with an average of 8%.

The George Municipality aims to introduce a reliable, affordable, scheduled public transport service. The first services were scheduled to commence early in 2012, but negotiations with the Operating Company have not yet been concluded. The introduction of these services requires that the fare structure for George be included in the tariffs list and that the approved fare structure be Gazetted. The proposed tariffs will be finalised once the negotiations between Government (Council and Province) and the Operating Company have been concluded.

National Treasury sent out MFMA Circular No. 58 on 14 December 2011 providing guidance to municipalities on their 2012/13 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular 58 was followed up by Circular no. 59 dated 16 March 2012. Circular No. 58 & 59 reminds us of the key focus areas for the 2012/2013 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54 and 55. It is essential reading material in order to understand the background to this budget.

The 2011/12 adjustments budget again proved that the ability of Council to reduce costs is limited by the fact that the fixed cost component of the operating budget by far exceeds the variable costs. Salaries, depreciation, interest on external loans and bulk purchases of electricity absorbs 59,9% of the budget. Service delivery will be severely affected by reducing the variable costs.

### 1.5 – Budget Overview of the 2012/13 MTREF

This section provides an overview of the George Municipality's 2012/13 to 2014/15 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of George Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in George. George alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

According to Circular No. 58, the following headline forecasts underpin the national 2012 Budget:

| Fiscal Year            | 2010/11 Actual | 2011/12 Estimate | 2012/13  | 2013/14 | 2014/15 |
|------------------------|----------------|------------------|----------|---------|---------|
|                        |                |                  | Forecast |         |         |
| Headline CPI Inflation | 3,3%           | 5,0%             | 5,4%     | 5,6%    | 5,4%    |

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macro economic policies, unless it can be shown that external factors impact otherwise.

The budget process in George followed the requirements of the MFMA. A Table of key deadlines was prepared for tabling in Council by the Mayor prior to the end of August 2011.

A Budget Committee was established to examine, review and prioritise budget proposals from departments.

The Draft budget was tabled on 29 March 2012. The final budget has to be approved by Council by the end of May 2012.

Over the 3 year period, the Municipality is planning to spend R585.4m on capital investment for the infrastructure needs of the town. In 2012/13 the capital budget is R141.7m. Operating expenditure in 2012/13 is budgeted at R979m.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These “key deliverables” link the financial inputs of the budget to service delivery on the ground.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality’s in year monitoring.

In view of the aforementioned, the following table is a consolidated overview of the proposed MTREF:

**Table 1 Consolidated Overview of the 2012/13 MTREF**

|                             | Adjustments<br>Budget 2011/12 | Budget Year<br>2012/13 | Budget Year<br>2013/14 | Budget Year<br>2014/15 |
|-----------------------------|-------------------------------|------------------------|------------------------|------------------------|
| Total Operating Revenue     | 1,014,445,618                 | 993,160,318            | 1,033,231,590          | 1,077,535,965          |
| Total Operating Expenditure | 994,091,411                   | 979,351,280            | 1,036,703,611          | 1,073,327,961          |
| Appropriations              | 20,130,969                    | 13,771,088             | -3,478,007             | 4,157,330              |
| (Surplus)/Deficit           | -223,238                      | -37,950                | -5,986                 | -50,674                |
| Total Capital Expenditure   | 133,325,150                   | 141,748,962            | 221,223,620            | 222,434,500            |

## 1.6 – Operating Revenue Framework

For George Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue.

The municipality’s revenue strategy is built around the following key components:

- National Treasury’s guidelines, Circular No. 54, 55, 58 & 59;
- The municipality’s Property Rates Policy;
- The municipality’s Credit Control and Indigent Policy and rendering of free basic services;
- Tariff policy and structure;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- George Municipalities Long-term financial plan

The following table is a summary of the 2012/13 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue sources**

| Description                                                          | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                                    |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Revenue By Source</b>                                             |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 100,329         | 104,491         | 118,748         | 139,499              | 132,499         | 132,499            | 132,499           | 137,929                                             | 142,672                | 151,115                |
| Property rates - penalties & collection charges                      | 1,567           | 1,322           | 1,330           | 1,435                | 1,435           | 1,435              | 1,435             | 1,521                                               | 1,612                  | 1,709                  |
| Service charges - electricity revenue                                | 212,090         | 267,361         | 310,240         | 398,479              | 381,179         | 381,179            | 381,179           | 408,790                                             | 448,535                | 484,159                |
| Service charges - water revenue                                      | 62,936          | 56,002          | 61,864          | 95,316               | 85,316          | 85,316             | 85,316            | 73,742                                              | 68,237                 | 71,774                 |
| Service charges - sanitation revenue                                 | 44,889          | 40,852          | 46,462          | 62,118               | 66,155          | 66,155             | 66,155            | 58,230                                              | 54,870                 | 57,758                 |
| Service charges - refuse revenue                                     | 33,334          | 26,305          | 30,484          | 48,472               | 49,830          | 49,830             | 49,830            | 38,932                                              | 34,060                 | 35,649                 |
| Service charges - other                                              | 10              | 8               | 13              | 10                   | 360             | 360                | 360               | 352                                                 | 374                    | 397                    |
| Rental of facilities and equipment                                   | 1,857           | 1,819           | 1,829           | 1,800                | 1,870           | 1,870              | 1,870             | 2,023                                               | 2,137                  | 2,258                  |
| Interest earned - external investments                               | 25,465          | 14,673          | 14,773          | 5,250                | 11,750          | 11,750             | 11,750            | 12,455                                              | 13,202                 | 13,994                 |
| Interest earned - outstanding debtors                                | 5,003           | 4,127           | 4,296           | 3,170                | 4,020           | 4,020              | 4,020             | 4,061                                               | 4,285                  | 4,522                  |
| Dividends received                                                   | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Fines                                                                | 11,331          | 3,759           | 13,149          | 13,253               | 16,253          | 16,253             | 16,253            | 17,228                                              | 18,262                 | 19,358                 |
| Licences and permits                                                 | 2,538           | 2,762           | 2,106           | 2,184                | 2,184           | 2,184              | 2,184             | 2,315                                               | 2,454                  | 2,601                  |
| Agency services                                                      | 4,956           | 5,120           | 5,427           | 5,695                | 5,695           | 5,695              | 5,695             | 6,037                                               | 6,399                  | 6,783                  |
| Transfers recognised - operational                                   | 78,263          | 62,597          | 137,138         | 128,450              | 165,648         | 165,648            | 165,648           | 155,883                                             | 172,889                | 158,217                |
| Other revenue                                                        | 16,406          | 10,943          | 9,945           | 7,306                | 16,255          | 16,255             | 16,255            | 22,027                                              | 13,877                 | 14,737                 |
| Gains on disposal of PPE                                             | 777             | 95              | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>601,753</b>  | <b>602,237</b>  | <b>757,805</b>  | <b>912,436</b>       | <b>940,449</b>  | <b>940,449</b>     | <b>940,449</b>    | <b>941,525</b>                                      | <b>983,865</b>         | <b>1,025,032</b>       |

Revenue generated from property rates and service charges forms a significant percentage of the revenue source of the municipality. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

The following table gives a breakdown of the various grants allocated to the municipality over the medium term:

**Table 3 Grants Allocation**

| Local government allocations 2012/13 – 2014/15            |                       |                |                |
|-----------------------------------------------------------|-----------------------|----------------|----------------|
|                                                           | Medium Term Estimates |                |                |
| R '000                                                    | 2012/13               | 2013/14        | 2014/15        |
| <b>National Grants</b>                                    | <b>142 600</b>        | <b>140 107</b> | <b>150 313</b> |
| Equitable share                                           | 80 370                | 86 196         | 92 766         |
| Infrastructure (MIG)                                      | 44 044                | 46 461         | 49 147         |
| Electrification Programme                                 | 8 400                 | 1 500          | 2 000          |
| Financial Management (FMG)                                | 1 250                 | 1 250          | 1 250          |
| Municipal Systems Improvement                             | 800                   | 900            | 950            |
| George Bulk Water Supply Augmentation                     | 3 000                 | -              | -              |
| Expanded Public Works Programme Incentive Grant           | 1 736                 | -              | -              |
| Infrastructure Skills Development                         | 3 000                 | 3 800          | 4 000          |
| <b>Provincial Grants</b>                                  | <b>71 631</b>         | <b>83 788</b>  | <b>62 321</b>  |
| Integrated Housing & Human Settlement & Development Grant | 44 794                | 37 774         | 39 662         |
| Library Services                                          | 1 364                 | -              | -              |

|                                                        |                |                |                |
|--------------------------------------------------------|----------------|----------------|----------------|
| Community Development Worker Operational Support Grant | 162            | 168            | 168            |
| Integrated Transport Planning                          | 396            | 396            | 396            |
| Proclaimed Roads                                       | 13 415         | 20 000         | -              |
| GIPTN – Operation                                      | 10 000         | 23 950         | 20 595         |
| GIPTN – Infrastructure                                 | 1 500          | 1 500          | 1 500          |
| <b>Total Allocations</b>                               | <b>214 231</b> | <b>223 895</b> | <b>212 634</b> |

### **SERVICE CHARGES AND MISCELLANEOUS TARIFFS:**

The following tariff increases are suggested:

- Electricity : 11,03%
- Water : 8%
- Rates : 7%
- Refuse : 8%
- Sewerage : 8%
- Other (miscellaneous) : 6 %

### **TARIFF CHANGES SUGGESTED FOR 2012/13**

**Rates Tariffs** - The General Valuation roll for the financial years 2012/2013 – 2015/2016 was compiled by Cape Data Valuers and was open for public inspection from 2 February 2012 to 16 March 2012. The period for inspection of the general valuation roll was subsequently extended to 30 March 2012.

To date ±3 500 objections were lodged. After the closing date, the Municipal Valuer from Cape Data Valuers will handle the objections and inform the objectors in writing of the outcome.

The total values of the valuation roll for 2007 and 2012 are as follows:

|                     |   |                 |
|---------------------|---|-----------------|
| GV 2007 Final Total | : | R33,695,480,880 |
| GV 2012 Total       | : | R36,346,630,885 |
| Difference          | : | R 3,398,868,610 |

The rates department is in the process of determining a rates tariff for 2012/13 that will realise a 7% increase in the rates income.

**Water Tariffs** – The Budget Committee debated the possibility of phasing out the 6kl free water for non-indigent households. The Committee argued that the matter should be further investigated before embarking on the phasing out of the 6kl free water.

**Electricity Tariffs** – The proposed introduction of the Inclining Block Tariffs for domestic / residential customers that NERSA proposed to be implemented by Municipalities as from 01 July 2011 has been shifted to the 2012/13 financial year. George Municipality is busy with negotiations regarding the implementation of the

Inclining Block Tariffs and is awaiting NERSA's response on a proposal from George Municipality. This issue will be finalised before the approval of the final budget.

The Budget Committee furthermore decided to introduce a basic electricity tariff so that holiday homes/ beach houses, where the monthly consumption of electricity is below a benchmark, will also contribute to the maintenance and upgrading of the capital infrastructure. Calculations are being done by the electricity department to determine the basic tariff and will be included in the final tariff list

The Budget Committee furthermore decided to discontinue the awarding of 20kWh electricity to all households.

### **George Municipality Tariffs versus the DMA Tariffs**

The Budget Committee is busy investigating the DMA tariffs. The Budget Committee recognise that where there is a different levels of service delivery the tariffs should differ. The Budget Committee is investigating what the impact would be if George Municipality tariffs that are more favourable than the DMA tariffs are implemented from July 2012. The remainder of the tariffs will be investigated and the Budget Committee finalise a decision in April 2012. The abovementioned tariff increases have been applied in the draft budget to the DMA tariffs for 2012/13.

### **Capital Contributions**

The proposed increases in capital contributions are as follows:

|                   |    |
|-------------------|----|
| Electricity       | 5% |
| Public Open Space | 6% |
| Water             | 5% |
| Refuse            | 5% |
| Sewerage          | 5% |

### **Overall impact of tariff increases on households**

The following table shows the overall expected impact of tariff increases on a large and small household, as well as an indigent household receiving free basic services.

**Table 4 MBRR Table SA14 – Household bills**

| Description                                                  | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                     |                        |                        |
|--------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|---------------------|------------------------|------------------------|
|                                                              | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13 % incr.                         | Budget Year 2012/13 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>Rand/cent</b>                                             |                 |                 |                 |                      |                 |                    |                                                     |                     |                        |                        |
| <b>Monthly Account for Household - 'Middle Income Range'</b> |                 |                 |                 |                      |                 |                    |                                                     |                     |                        |                        |
| <b>Rates and services charges:</b>                           |                 |                 |                 |                      |                 |                    |                                                     |                     |                        |                        |
| Property rates                                               | 275.25          | 300.00          | 327.00          | 346.65               | 346.65          | 346.65             | 7.0%                                                | 370.92              | 393.17                 | 416.76                 |
| Electricity: Basic levy                                      | –               | –               | –               | –                    | –               | –                  | –                                                   | –                   | –                      | –                      |
| Electricity: Consumption                                     | 553.80          | 719.91          | 863.87          | 1,039.88             | 1,039.88        | 1,039.88           | 26.0%                                               | 1,310.00            | 1,450.00               | 1,537.00               |
| Water: Basic levy                                            | 37.21           | 41.68           | 47.52           | 50.37                | 50.37           | 50.37              | 8.0%                                                | 54.40               | 57.66                  | 61.12                  |
| Water: Consumption                                           | 165.88          | 191.70          | 241.46          | 255.92               | 255.92          | 255.92             | 8.0%                                                | 276.39              | 292.98                 | 310.56                 |
| Sanitation                                                   | 84.48           | 104.29          | 113.68          | 120.50               | 120.50          | 120.50             | 8.0%                                                | 130.14              | 137.95                 | 146.22                 |
| Refuse removal                                               | 68.04           | 78.25           | 89.92           | 95.33                | 95.33           | 95.33              | 8.0%                                                | 102.96              | 109.14                 | 115.69                 |
| Other                                                        | –               | –               | –               | –                    | –               | –                  | –                                                   | –                   | –                      | –                      |
| <b>sub-total</b>                                             | <b>1,184.66</b> | <b>1,435.83</b> | <b>1,683.45</b> | <b>1,908.65</b>      | <b>1,908.65</b> | <b>1,908.65</b>    | <b>17.6%</b>                                        | <b>2,244.81</b>     | <b>2,440.90</b>        | <b>2,587.35</b>        |
| VAT on Services                                              | 127.32          | 159.02          | 189.90          | 218.68               | 218.68          | 218.68             | 20.0%                                               | 262.34              | 286.68                 | 303.88                 |
| <b>Total large household bill:</b>                           | <b>1,311.98</b> | <b>1,594.85</b> | <b>1,873.35</b> | <b>2,127.33</b>      | <b>2,127.33</b> | <b>2,127.33</b>    | <b>17.9%</b>                                        | <b>2,507.15</b>     | <b>2,727.58</b>        | <b>2,891.23</b>        |
| <b>% increase/-decrease</b>                                  |                 | <b>21.6%</b>    | <b>17.5%</b>    | <b>13.6%</b>         | <b>–</b>        | <b>–</b>           |                                                     | <b>17.9%</b>        | <b>8.8%</b>            | <b>6.0%</b>            |
| <b>Monthly Account for Household - 'Affordable Range'</b>    |                 |                 |                 |                      |                 |                    |                                                     |                     |                        |                        |
| <b>Rates and services charges:</b>                           |                 |                 |                 |                      |                 |                    |                                                     |                     |                        |                        |
| Property rates                                               | 55.05           | 60.00           | 65.40           | 69.33                | 69.33           | 69.33              | 7.0%                                                | 74.18               | 78.63                  | 83.35                  |
| Electricity: Basic levy                                      | –               | –               | –               | –                    | –               | –                  | –                                                   | –                   | –                      | –                      |
| Electricity: Consumption                                     | 270.12          | 351.14          | 421.36          | 507.21               | 507.21          | 507.21             | 28.6%                                               | 652.38              | 724.34                 | 767.80                 |
| Water: Basic levy                                            | 37.21           | 41.68           | 47.52           | 50.37                | 50.37           | 50.37              | 8.0%                                                | 54.40               | 57.66                  | 61.12                  |
| Water: Consumption                                           | 128.58          | 149.70          | 184.01          | 195.02               | 195.02          | 195.02             | 8.0%                                                | 210.62              | 223.26                 | 236.65                 |
| Sanitation                                                   | 84.48           | 104.29          | 113.68          | 120.50               | 120.50          | 120.50             | 8.0%                                                | 130.14              | 137.95                 | 146.22                 |
| Refuse removal                                               | 68.04           | 78.25           | 89.92           | 95.33                | 95.33           | 95.33              | 8.0%                                                | 102.96              | 109.14                 | 115.69                 |
| Other                                                        | –               | –               | –               | –                    | –               | –                  | –                                                   | –                   | –                      | –                      |
| <b>sub-total</b>                                             | <b>643.48</b>   | <b>785.06</b>   | <b>921.88</b>   | <b>1,037.76</b>      | <b>1,037.76</b> | <b>1,037.76</b>    | <b>18.0%</b>                                        | <b>1,224.68</b>     | <b>1,330.98</b>        | <b>1,410.84</b>        |
| VAT on Services                                              | 82.38           | 101.51          | 119.91          | 135.58               | 135.58          | 135.58             | 18.8%                                               | 161.07              | 175.33                 | 185.85                 |
| <b>Total small household bill:</b>                           | <b>725.86</b>   | <b>886.57</b>   | <b>1,041.79</b> | <b>1,173.34</b>      | <b>1,173.34</b> | <b>1,173.34</b>    | <b>18.1%</b>                                        | <b>1,385.75</b>     | <b>1,506.31</b>        | <b>1,596.69</b>        |
| <b>% increase/-decrease</b>                                  |                 | <b>22.1%</b>    | <b>17.5%</b>    | <b>12.6%</b>         | <b>–</b>        | <b>–</b>           |                                                     | <b>18.1%</b>        | <b>8.7%</b>            | <b>6.0%</b>            |
| <b>Monthly Account for Household - 'Indigent'</b>            |                 |                 |                 |                      |                 |                    |                                                     |                     |                        |                        |
| <b>Household receiving free basic services</b>               |                 |                 |                 |                      |                 |                    |                                                     |                     |                        |                        |
| <b>Rates and services charges:</b>                           |                 |                 |                 |                      |                 |                    |                                                     |                     |                        |                        |
| Property rates                                               | –               | –               | –               | –                    | –               | –                  | –                                                   | –                   | –                      | –                      |
| Electricity: Basic levy                                      | –               | –               | –               | –                    | –               | –                  | –                                                   | –                   | –                      | –                      |
| Electricity: Consumption                                     | 19.16           | 22.03           | 24.38           | 29.35                | 29.35           | 29.35              | 66.5%                                               | 48.88               | 54.28                  | 57.53                  |
| Water: Basic levy                                            | 37.21           | 41.68           | 47.52           | 50.37                | 50.37           | 50.37              | 8.0%                                                | 54.40               | 57.66                  | 61.12                  |
| Water: Consumption                                           | –               | –               | –               | –                    | –               | –                  | –                                                   | –                   | –                      | –                      |
| Sanitation                                                   | 84.48           | 104.29          | 113.68          | 120.50               | 120.50          | 120.50             | 8.0%                                                | 130.14              | 137.95                 | 146.22                 |
| Refuse removal                                               | 68.04           | 78.25           | 89.92           | 95.33                | 95.33           | 95.33              | 8.0%                                                | 102.96              | 109.14                 | 115.69                 |
| Other                                                        | –               | –               | –               | –                    | –               | –                  | –                                                   | –                   | –                      | –                      |
| <b>sub-total</b>                                             | <b>208.89</b>   | <b>246.25</b>   | <b>275.50</b>   | <b>295.55</b>        | <b>295.55</b>   | <b>295.55</b>      | <b>13.8%</b>                                        | <b>336.38</b>       | <b>359.02</b>          | <b>380.57</b>          |
| VAT on Services                                              | 29.24           | 34.47           | 38.57           | 41.38                | 41.38           | 41.38              | 13.8%                                               | 47.09               | 50.26                  | 53.28                  |
| <b>Total small household bill:</b>                           | <b>238.13</b>   | <b>280.72</b>   | <b>314.07</b>   | <b>336.93</b>        | <b>336.93</b>   | <b>336.93</b>      | <b>13.8%</b>                                        | <b>383.47</b>       | <b>409.29</b>          | <b>433.85</b>          |
| <b>% increase/-decrease</b>                                  |                 | <b>17.9%</b>    | <b>11.9%</b>    | <b>7.3%</b>          | <b>–</b>        | <b>–</b>           |                                                     | <b>13.8%</b>        | <b>6.7%</b>            | <b>6.0%</b>            |

## 1.7 – Operating Expenditure Framework

The expenditure framework for the 2012/13 budget and MTREF is informed by the guidelines of National Treasury.

The operating expenditure decreased from R994 million (2011/12) to R979 million in 2012/13.

The following table is a summary of the 2012/13 MTREF (classified by main expenditure types):

**Table 5 Summary of operating expenditure by standard classification**

| Description<br>R thousand       | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>Expenditure By Type</b>      |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee related costs          | 181,719         | 219,740         | 227,743         | 231,321              | 236,673         | 236,673            | 236,673           | 262,722                                             | 276,403                | 292,536                |
| Remuneration of councillors     | 9,188           | 9,758           | 10,691          | 12,913               | 13,966          | 13,966             | 13,966            | 15,472                                              | 16,245                 | 17,057                 |
| Debt impairment                 | 6,770           | 13,946          | 27,524          | 11,476               | 11,476          | 11,476             | 11,476            | 14,494                                              | 11,692                 | 17,592                 |
| Depreciation & asset impairment | 60,454          | 79,563          | 94,501          | 92,452               | 103,696         | 103,696            | 103,696           | 101,989                                             | 95,038                 | 91,034                 |
| Finance charges                 | 31,750          | 47,342          | 52,848          | 59,085               | 57,252          | 57,252             | 57,252            | 53,918                                              | 50,539                 | 46,801                 |
| Bulk purchases                  | 119,763         | 151,841         | 192,836         | 249,284              | 247,284         | 247,284            | 247,284           | 279,909                                             | 317,745                | 360,757                |
| Other materials                 | 435             | 331             | 324             | 352                  | 192             | 192                | 192               | 193                                                 | 196                    | 202                    |
| Contracted services             | 48,713          | 34,039          | 94,627          | 80,719               | 116,540         | 116,540            | 116,540           | 106,150                                             | 120,708                | 94,269                 |
| Transfers and grants            | 41,324          | 5,508           | 5,124           | 65,194               | 64,511          | 64,511             | 64,511            | 2,011                                               | 2,076                  | 2,147                  |
| Other expenditure               | 154,806         | 150,596         | 145,187         | 162,400              | 142,502         | 142,502            | 142,502           | 142,495                                             | 146,063                | 150,933                |
| Loss on disposal of PPE         | 2,345           | 2,467           | 440             | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Total Expenditure</b>        | <b>657,268</b>  | <b>715,130</b>  | <b>851,845</b>  | <b>965,196</b>       | <b>994,091</b>  | <b>994,091</b>     | <b>994,091</b>    | <b>979,351</b>                                      | <b>1,036,704</b>       | <b>1,073,328</b>       |

The overall decline of 1,51% can be attributed to increases and decreases on several expenditure components.

Reasons for significant cost variances:

- Employee related costs – Provision for additional temporary staff was made.
- Remuneration of Councillors – The 2012/13 provision includes an allocation for additional councillors following the impact of additional wards and demarcation amendments.
- Debt impairment – The calculation is based on the 2012/13 collection ratios and also the current economic climate in the town.
- Bulk purchases – The increase is based on the tariff for bulk purchases as set out by NERSA.
- Contracted Services – The budget for contracted services has decline from R116,5 million (2011/12) to R106,1 million (2012/13).
- Transfers and grants – The decline is due to the correct treatment of the equitable share allocation.

**Table 6 Repairs and maintenance per asset class**

| Description                                   | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                               | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                             |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>EXPENDITURE OTHER ITEMS</b>                |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <u>Depreciation &amp; asset impairment</u>    | 60,454          | 79,563          | 94,501          | 92,452               | 103,696         | 103,696            | 101,989                                             | 95,038                 | 91,034                 |
| <u>Repairs and Maintenance by Asset Class</u> | 53,999          | 52,446          | 55,364          | 65,113               | 56,939          | 56,939             | 66,104                                              | 69,537                 | 72,994                 |
| Infrastructure - Road transport               | 17,168          | 18,864          | 19,301          | 19,340               | 15,105          | 15,105             | 19,701                                              | 20,334                 | 21,041                 |
| Infrastructure - Electricity                  | 11,414          | 7,182           | 6,688           | 10,096               | 7,107           | 7,107              | 8,071                                               | 8,545                  | 8,947                  |
| Infrastructure - Water                        | 6,799           | 6,307           | 3,506           | 7,718                | 6,502           | 6,502              | 6,849                                               | 7,193                  | 7,555                  |
| Infrastructure - Sanitation                   | 6,475           | 6,657           | 9,648           | 9,225                | 9,215           | 9,215              | 9,660                                               | 10,497                 | 11,355                 |
| Infrastructure - Other                        | 20              | -               | 1               | 10                   | 10              | 10                 | 11                                                  | 11                     | 12                     |
| Infrastructure                                | 41,876          | 39,070          | 39,145          | 46,389               | 37,939          | 37,939             | 44,291                                              | 46,580                 | 48,909                 |
| Community                                     | 1,685           | 2,011           | 3,488           | 2,392                | 2,997           | 2,997              | 3,129                                               | 3,265                  | 3,350                  |
| Heritage assets                               | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Investment properties                         | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other assets                                  | 10,439          | 11,425          | 12,731          | 16,332               | 16,003          | 16,003             | 18,684                                              | 19,692                 | 20,736                 |
| <b>TOTAL EXPENDITURE OTHER ITEMS</b>          | <b>114,453</b>  | <b>132,008</b>  | <b>149,866</b>  | <b>157,565</b>       | <b>160,636</b>  | <b>160,636</b>     | <b>168,093</b>                                      | <b>164,574</b>         | <b>164,029</b>         |

## 1.8 – Capital Budget

The capital budget increased from R133,3 million (2011/12) to R141,7 million in 2012/13.

Due to the impact of the current long term borrowing commitments on the operating budget it was decided to limit the capital projects linked to external funding. The amount of ± R10 million allocated to external funding relates to vehicles that will be purchased through finance leases.

The Budget Committee went through several stages of prioritising the capital budget to contain the budget within the available funding.

**Table 7 Capital funding by source**

| Vote Description                            | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                             | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                           |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Funded by:</b>                           |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| National Government                         | 30,253          | 88,032          | 55,879          | 64,158               | 44,633          | 44,633             | 44,633            | 49,812                                              | 100,764                | 93,277                 |
| Provincial Government                       | 34,390          | 7,078           | 10,851          | 6,000                | 18,569          | 18,440             | 18,440            | 35,709                                              | 26,560                 | 34,500                 |
| District Municipality                       | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Other transfers and grants                  | 0               | 4,286           | 5,438           | 4,000                | 3,000           | 3,000              | 3,000             | -                                                   | -                      | -                      |
| <b>Transfers recognised - capital</b>       | <b>64,642</b>   | <b>99,396</b>   | <b>72,168</b>   | <b>74,158</b>        | <b>66,202</b>   | <b>66,073</b>      | <b>66,073</b>     | <b>85,521</b>                                       | <b>127,324</b>         | <b>127,777</b>         |
| <b>Public contributions &amp; donations</b> | <b>0</b>        | <b>3,000</b>    | <b>-</b>        | <b>-</b>             | <b>259</b>      | <b>259</b>         | <b>259</b>        | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b>Borrowing</b>                            | <b>130,278</b>  | <b>126,319</b>  | <b>47,704</b>   | <b>53,770</b>        | <b>20,326</b>   | <b>20,326</b>      | <b>20,326</b>     | <b>10,650</b>                                       | <b>4,000</b>           | <b>4,000</b>           |
| <b>Internally generated funds</b>           | <b>642,025</b>  | <b>14,352</b>   | <b>16,762</b>   | <b>34,984</b>        | <b>46,538</b>   | <b>46,667</b>      | <b>46,667</b>     | <b>45,578</b>                                       | <b>89,900</b>          | <b>90,658</b>          |
| <b>Total Capital Funding</b>                | <b>836,945</b>  | <b>243,067</b>  | <b>136,635</b>  | <b>162,912</b>       | <b>133,325</b>  | <b>133,325</b>     | <b>133,325</b>    | <b>141,749</b>                                      | <b>221,224</b>         | <b>222,435</b>         |

## Internal Funding

One of the main problems impacting on the capital budget was the expected contributions to the Capital Replacement Reserve (CRR) for the current year. At the mid-year assessment the capital contribution votes under collected and projected below the budgeted figures.

This situation also accentuated the fact that emphasis must be put on expanding the current income sources and exploring other income sources.

The 2011/12 Capital Adjustments Budget requires a contribution of R 13,6 million from the cash reserves. This amount is envisaged to be realized from the vigorous application of the credit control and debt collection measures. The request for a contribution will serve before Council for approval together with the final budget in May 2012.

Furthermore the Budget Committee has decided to make a specific contribution from the Operating Budget to the CRR's for the 2012/13 year apart from the normal capital contributions and sale of property proceeds.

In this regard the Budget Committee has decided to discontinue the awarding of 20kWh electricity to all households.

The Budget Committee furthermore decided to introduce a basic electricity tariff so that holiday homes/ beach houses, where the monthly consumption of electricity is below a benchmark, will also contribute to the maintenance and upgrading of the capital infrastructure.

The Budget Committee also emphasised the fact that revenue enhancement measures will be instituted in this financial year to broaden the income base.

Furthermore the indigent qualification criteria will be enforced more rigorously to ensure that those who do not qualify are removed from the allocation list. This saving on the equitable share allocation will allow Council to make a contribution to the infrastructure required to deliver the free basic services.

The Budget Committee is investigating the current criteria that apply to indigent households and want to bring it in line with national norms and standards. The current indigent policy is far too generous and creates a situation where too many citizens of George are making no monetary contribution toward the cost of delivering services to the community.

The abovementioned strategy will realise the following funding:

| DESCRIPTION                                                 | AMOUNT (R)         |
|-------------------------------------------------------------|--------------------|
| Additional income from the 20kWh                            | 8 000 000          |
| Basic electricity charge at holiday homes                   | 2 000 000          |
| VAT claim on Conditional Grants                             | 6 900 000          |
| Electricity Grant – bridging finance                        | 2 400 000          |
| Revenue enhancement                                         | 5 000 000          |
| Contribution from the Equitable Share                       | 15 000 000         |
| A basic contribution from the<br>15 000 indigent households | 9 000 000          |
| <b>TOTAL</b>                                                | <b>R48,300,000</b> |

Although the budgeted income and expenditure are realistically anticipated budgets, the situation regarding the available internal funds will be monitored closely and expenditure on capital projects linked to the CRR will be managed according to the available cash.

To facilitate this process the Budget Committee has further prioritized the draft Capital Budget into priority 1 and priority 2 projects. Priority 1 projects are projects that are committed in terms of a contract that has been signed, is an ongoing project or a priority in terms of the core functions of the municipality. Although priority 2 projects are necessary to maintain the service delivery, they are not committed projects and do not necessarily have to commence in July 2012. These priority 2 projects will only be incurred once it is established that the anticipated revenue has materialised.

## External Funding

The Budget Committee has reduced its reliance on external funding to fund its capital budget. The planned expenditure from external funding for 2011/12 has been reprioritised and where necessary changed to internal funding during the 2011/12 adjustments budget. The main motivation for refraining from taking up further external loans was the saving that was affected on the operating budget. The Budget Committee's strategy for the 2012/13 budget is to accumulate own resources before embarking on capital projects going forward.

The Budget Committee has however decided that the budgeted vehicles on the capital budget should be leased and that the finance lease payments will be funded from savings in the operating budget by not having to hire these vehicles.

The following table provides a breakdown of the budgeted capital expenditure by classification:

**Table 8 Capital expenditure by GFS classification**

| Vote Description                            | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                             | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                           |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Capital Expenditure - Standard</b>       |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <i>Governance and administration</i>        | 558,266         | 531             | 876             | 770                  | 679             | 679                | 679               | 720                                                 | 705                    | 895                    |
| Executive and council                       | –               | –               | –               | 140                  | 79              | 79                 | 79                | 30                                                  | 585                    | 365                    |
| Budget and treasury office                  | 195             | –               | 720             | 280                  | 470             | 470                | 470               | 230                                                 | 80                     | 80                     |
| Corporate services                          | 558,071         | 531             | 155             | 350                  | 130             | 130                | 130               | 460                                                 | 40                     | 450                    |
| <i>Community and public safety</i>          | <b>24,827</b>   | <b>16,144</b>   | <b>8,352</b>    | <b>8,644</b>         | <b>12,449</b>   | <b>12,449</b>      | <b>12,449</b>     | <b>30,611</b>                                       | <b>27,155</b>          | <b>44,528</b>          |
| Community and social services               | 6,904           | 519             | 2,423           | 2,804                | 1,777           | 1,777              | 1,777             | 1,169                                               | 1,638                  | 8,460                  |
| Sport and recreation                        | 6,281           | 12,842          | 1,019           | 3,600                | 5,479           | 5,479              | 5,479             | 2,108                                               | 950                    | 958                    |
| Public safety                               | 5,504           | 1,252           | 193             | 80                   | 4,010           | 4,010              | 4,010             | 3,249                                               | 447                    | –                      |
| Housing                                     | 5,735           | 1,530           | 4,716           | 2,160                | 1,183           | 1,183              | 1,183             | 24,085                                              | 24,120                 | 35,110                 |
| Health                                      | 403             | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <i>Economic and environmental services</i>  | <b>94,915</b>   | <b>34,342</b>   | <b>14,442</b>   | <b>16,850</b>        | <b>23,571</b>   | <b>23,571</b>      | <b>23,571</b>     | <b>22,941</b>                                       | <b>24,520</b>          | <b>16,500</b>          |
| Planning and development                    | 354             | 332             | –               | –                    | –               | –                  | –                 | –                                                   | 100                    | –                      |
| Road transport                              | 94,419          | 34,002          | 14,395          | 16,850               | 23,561          | 23,561             | 23,561            | 22,941                                              | 24,410                 | 16,500                 |
| Environmental protection                    | 143             | 8               | 46              | –                    | 10              | 10                 | 10                | –                                                   | 10                     | –                      |
| <i>Trading services</i>                     | <b>158,937</b>  | <b>192,050</b>  | <b>112,965</b>  | <b>136,648</b>       | <b>96,627</b>   | <b>96,627</b>      | <b>96,627</b>     | <b>87,477</b>                                       | <b>168,844</b>         | <b>160,512</b>         |
| Electricity                                 | 56,488          | 48,576          | 55,005          | 58,669               | 37,859          | 37,859             | 37,859            | 25,089                                              | 45,295                 | 43,210                 |
| Water                                       | 57,775          | 121,994         | 48,494          | 40,816               | 28,457          | 28,457             | 28,457            | 21,064                                              | 36,998                 | 40,135                 |
| Waste water management                      | 40,359          | 21,480          | 8,974           | 36,163               | 30,312          | 30,312             | 30,312            | 32,825                                              | 80,751                 | 71,517                 |
| Waste management                            | 4,315           | –               | 492             | 1,000                | –               | –                  | –                 | 8,500                                               | 5,800                  | 5,650                  |
| <i>Other</i>                                | –               | –               | –               | –                    | –               | –                  | –                 | –                                                   | –                      | –                      |
| <b>Total Capital Expenditure - Standard</b> | <b>836,945</b>  | <b>243,067</b>  | <b>136,635</b>  | <b>162,912</b>       | <b>133,325</b>  | <b>133,325</b>     | <b>133,325</b>    | <b>141,749</b>                                      | <b>221,224</b>         | <b>222,435</b>         |

## **1.9 – Budget Schedules**

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

**Table 9 - A1: Budget Summary**

| Description                                                          | 2008/9          | 2009/10          | 2010/11         | Current Year 2011/12 |                 |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|-----------------|------------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      | Audited Outcome | Audited Outcome  | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousands</b>                                                   |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Financial Performance</b>                                         |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 101,897         | 105,813          | 120,078         | 140,934              | 133,934         | 133,934            | 133,934           | 139,450                                             | 144,285                | 152,824                |
| Service charges                                                      | 353,259         | 390,528          | 449,063         | 604,395              | 582,840         | 582,840            | 582,840           | 580,046                                             | 606,075                | 649,737                |
| Investment revenue                                                   | 25,465          | 14,673           | 14,773          | 5,250                | 11,750          | 11,750             | 11,750            | 12,455                                              | 13,202                 | 13,994                 |
| Transfers recognised - operational                                   | 78,263          | 62,597           | 137,138         | 128,450              | 165,648         | 165,648            | 165,648           | 155,883                                             | 172,889                | 158,217                |
| Other own revenue                                                    | 42,869          | 28,626           | 36,753          | 33,407               | 46,277          | 46,277             | 46,277            | 53,691                                              | 47,414                 | 50,259                 |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>601,753</b>  | <b>602,237</b>   | <b>757,805</b>  | <b>912,436</b>       | <b>940,449</b>  | <b>940,449</b>     | <b>940,449</b>    | <b>941,525</b>                                      | <b>983,865</b>         | <b>1,025,032</b>       |
| Employee costs                                                       | 181,719         | 219,740          | 227,743         | 231,321              | 236,673         | 236,673            | 236,673           | 262,722                                             | 276,403                | 292,536                |
| Remuneration of councillors                                          | 9,188           | 9,758            | 10,691          | 12,913               | 13,966          | 13,966             | 13,966            | 15,472                                              | 16,245                 | 17,057                 |
| Depreciation & asset impairment                                      | 60,454          | 79,563           | 94,501          | 92,452               | 103,696         | 103,696            | 103,696           | 101,989                                             | 95,038                 | 91,034                 |
| Finance charges                                                      | 31,750          | 47,342           | 52,848          | 59,085               | 57,252          | 57,252             | 57,252            | 53,918                                              | 50,539                 | 46,801                 |
| Materials and bulk purchases                                         | 120,197         | 152,172          | 193,159         | 249,636              | 247,476         | 247,476            | 247,476           | 280,101                                             | 317,941                | 360,959                |
| Transfers and grants                                                 | 41,324          | 5,508            | 5,124           | 65,194               | 64,511          | 64,511             | 64,511            | 2,011                                               | 2,076                  | 2,147                  |
| Other expenditure                                                    | 212,636         | 201,047          | 267,778         | 254,595              | 270,518         | 270,518            | 270,518           | 263,138                                             | 278,462                | 262,793                |
| <b>Total Expenditure</b>                                             | <b>657,268</b>  | <b>715,130</b>   | <b>851,845</b>  | <b>965,196</b>       | <b>994,091</b>  | <b>994,091</b>     | <b>994,091</b>    | <b>979,351</b>                                      | <b>1,036,704</b>       | <b>1,073,328</b>       |
| <b>Surplus/(Deficit)</b>                                             | <b>(55,515)</b> | <b>(112,893)</b> | <b>(94,039)</b> | <b>(52,759)</b>      | <b>(53,642)</b> | <b>(53,642)</b>    | <b>(53,642)</b>   | <b>(37,827)</b>                                     | <b>(52,839)</b>        | <b>(48,296)</b>        |
| Transfers recognised - capital                                       | 64,642          | 95,910           | 72,168          | 70,158               | 68,105          | 68,105             | 68,105            | 45,390                                              | 42,746                 | 45,486                 |
| Contributions recognised - capital & contributed assets              | 13,543          | 20,472           | 11,555          | 5,892                | 5,892           | 5,892              | 5,892             | 6,246                                               | 6,620                  | 7,018                  |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>22,671</b>   | <b>3,489</b>     | <b>(10,316)</b> | <b>23,291</b>        | <b>20,354</b>   | <b>20,354</b>      | <b>20,354</b>     | <b>13,809</b>                                       | <b>(3,472)</b>         | <b>4,208</b>           |
| Share of surplus/ (deficit) of associate                             | -               | -                | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>22,671</b>   | <b>3,489</b>     | <b>(10,316)</b> | <b>23,291</b>        | <b>20,354</b>   | <b>20,354</b>      | <b>20,354</b>     | <b>13,809</b>                                       | <b>(3,472)</b>         | <b>4,208</b>           |
| <b>Capital expenditure &amp; funds sources</b>                       |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Capital expenditure</b>                                           | <b>836,945</b>  | <b>243,067</b>   | <b>136,635</b>  | <b>162,912</b>       | <b>133,325</b>  | <b>133,325</b>     | <b>133,325</b>    | <b>141,749</b>                                      | <b>221,224</b>         | <b>222,435</b>         |
| Transfers recognised - capital                                       | 64,642          | 99,396           | 72,168          | 74,158               | 66,202          | 66,073             | 66,073            | 85,521                                              | 127,324                | 127,777                |
| Public contributions & donations                                     | 0               | 3,000            | -               | -                    | 259             | 259                | 259               | -                                                   | -                      | -                      |
| Borrowing                                                            | 130,278         | 126,319          | 47,704          | 53,770               | 20,326          | 20,326             | 20,326            | 10,650                                              | 4,000                  | 4,000                  |
| Internally generated funds                                           | 642,025         | 14,352           | 16,762          | 34,984               | 46,538          | 46,667             | 46,667            | 45,578                                              | 89,900                 | 90,658                 |
| <b>Total sources of capital funds</b>                                | <b>836,945</b>  | <b>243,067</b>   | <b>136,635</b>  | <b>162,912</b>       | <b>133,325</b>  | <b>133,325</b>     | <b>133,325</b>    | <b>141,749</b>                                      | <b>221,224</b>         | <b>222,435</b>         |
| <b>Financial position</b>                                            |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Total current assets                                                 | 615,724         | 596,328          | 642,349         | 553,386              | 553,386         | 553,386            | 553,386           | 704,630                                             | 616,679                | 529,977                |
| Total non current assets                                             | 1,739,625       | 1,965,480        | 2,006,705       | 2,107,253            | 2,107,253       | 2,107,253          | 2,107,253         | 2,294,481                                           | 2,424,366              | 2,559,451              |
| Total current liabilities                                            | 136,244         | 169,656          | 220,737         | 131,500              | 131,500         | 131,500            | 131,500           | 152,736                                             | 165,749                | 161,782                |
| Total non current liabilities                                        | 453,678         | 567,661          | 614,140         | 617,572              | 617,572         | 617,572            | 617,572           | 557,117                                             | 524,268                | 482,073                |
| Community wealth/Equity                                              | 1,765,427       | 1,824,492        | 1,814,176       | 1,911,567            | 1,911,567       | 1,911,567          | 1,911,567         | 2,289,257                                           | 2,351,028              | 2,445,573              |
| <b>Cash flows</b>                                                    |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Net cash from (used) operating                                       | 109,649         | 92,552           | 182,201         | 100,824              | 190,553         | 190,553            | 190,553           | 192,391                                             | 162,638                | 176,223                |
| Net cash from (used) investing                                       | (284,753)       | (241,673)        | (134,541)       | (157,401)            | (127,814)       | (127,814)          | (127,814)         | (128,890)                                           | (201,224)              | (207,435)              |
| Net cash from (used) financing                                       | 91,834          | 103,114          | 37,955          | 10,080               | (29,920)        | (29,920)           | (29,920)          | (19,925)                                            | (31,347)               | (33,858)               |
| <b>Cash/cash equivalents at the year end</b>                         | <b>192,888</b>  | <b>146,881</b>   | <b>232,497</b>  | <b>155,996</b>       | <b>265,316</b>  | <b>265,316</b>     | <b>265,316</b>    | <b>308,892</b>                                      | <b>238,960</b>         | <b>173,891</b>         |
| <b>Cash backing/surplus reconciliation</b>                           |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash and investments available                                       | 192,888         | 146,881          | 232,497         | 155,996              | 155,996         | 155,996            | 155,996           | 308,892                                             | 238,960                | 173,891                |
| Application of cash and investments                                  | 192,888         | 146,881          | 232,497         | (35,919)             | (38,122)        | (38,122)           | (38,122)          | (48,684)                                            | (40,763)               | (36,719)               |
| <b>Balance - surplus (shortfall)</b>                                 | <b>-</b>        | <b>-</b>         | <b>-</b>        | <b>191,916</b>       | <b>194,119</b>  | <b>194,119</b>     | <b>194,119</b>    | <b>357,576</b>                                      | <b>279,723</b>         | <b>210,610</b>         |
| <b>Asset management</b>                                              |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Asset register summary (WDV)                                         | 1,735,352       | 1,963,999        | 2,005,348       | 2,106,513            | 2,106,513       | 2,106,513          | 2,281,338         | 2,281,338                                           | 2,403,198              | 2,529,992              |
| Depreciation & asset impairment                                      | 60,454          | 79,563           | 94,501          | 92,452               | 103,696         | 103,696            | 101,989           | 101,989                                             | 95,038                 | 91,034                 |
| Renewal of Existing Assets                                           | (11,222)        | 30,352           | 1,565           | 16,960               | 21,955          | 21,955             | 21,955            | 20,345                                              | 54,875                 | 54,325                 |
| Repairs and Maintenance                                              | 53,999          | 52,446           | 55,364          | 65,113               | 56,939          | 56,939             | 66,104            | 66,104                                              | 69,537                 | 72,994                 |

**Table 10 – A2: Budgeted Financial Performance by standard classification**

| Standard Classification Description               | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                  |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----------------|-----------------|-----------------|----------------------|------------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget  | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                 |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Revenue - Standard</b>                         |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <i><b>Governance and administration</b></i>       | <b>172,649</b>  | <b>177,512</b>  | <b>203,233</b>  | <b>216,634</b>       | <b>217,487</b>   | <b>217,487</b>     | <b>164,778</b>                                      | <b>171,298</b>         | <b>181,644</b>         |
| Executive and council                             | 188             | 106             | 58              | 26                   | 26               | 26                 | 28                                                  | 29                     | 31                     |
| Budget and treasury office                        | 168,187         | 163,440         | 195,303         | 214,472              | 215,079          | 215,079            | 160,920                                             | 167,214                | 177,325                |
| Corporate services                                | 4,274           | 13,966          | 7,873           | 2,136                | 2,382            | 2,382              | 3,830                                               | 4,055                  | 4,288                  |
| <i><b>Community and public safety</b></i>         | <b>44,649</b>   | <b>22,710</b>   | <b>90,134</b>   | <b>68,144</b>        | <b>108,042</b>   | <b>108,042</b>     | <b>73,413</b>                                       | <b>74,032</b>          | <b>77,232</b>          |
| Community and social services                     | 1,694           | 1,669           | 1,882           | 2,617                | 2,837            | 2,837              | 2,733                                               | 1,430                  | 1,496                  |
| Sport and recreation                              | 2,145           | 4,958           | 2,294           | 2,552                | 5,699            | 5,699              | 4,625                                               | 12,656                 | 12,690                 |
| Public safety                                     | 11,132          | 3,549           | 12,528          | 12,855               | 20,105           | 20,105             | 18,691                                              | 19,724                 | 20,819                 |
| Housing                                           | 29,530          | 12,528          | 73,351          | 50,120               | 79,330           | 79,330             | 46,476                                              | 39,282                 | 41,235                 |
| Health                                            | 148             | 6               | 78              | -                    | 71               | 71                 | 889                                                 | 939                    | 992                    |
| <i><b>Economic and environmental services</b></i> | <b>67,000</b>   | <b>30,271</b>   | <b>22,844</b>   | <b>23,271</b>        | <b>39,978</b>    | <b>39,978</b>      | <b>39,190</b>                                       | <b>59,412</b>          | <b>36,888</b>          |
| Planning and development                          | 7,215           | 5,802           | 5,656           | 2,743                | 3,812            | 3,812              | 3,408                                               | 3,489                  | 3,730                  |
| Road transport                                    | 59,786          | 23,808          | 17,030          | 20,527               | 36,166           | 36,166             | 35,781                                              | 55,922                 | 33,157                 |
| Environmental protection                          | -               | 661             | 158             | 1                    | 1                | 1                  | 1                                                   | 1                      | 1                      |
| <i><b>Trading services</b></i>                    | <b>395,641</b>  | <b>487,946</b>  | <b>522,721</b>  | <b>680,421</b>       | <b>648,923</b>   | <b>648,923</b>     | <b>715,763</b>                                      | <b>728,473</b>         | <b>781,754</b>         |
| Electricity                                       | 222,184         | 276,355         | 323,596         | 413,253              | 391,928          | 391,928            | 430,254                                             | 455,507                | 492,104                |
| Water                                             | 85,269          | 140,873         | 111,234         | 130,772              | 114,281          | 114,281            | 120,577                                             | 119,393                | 126,668                |
| Waste water management                            | 53,853          | 43,540          | 56,556          | 86,431               | 91,236           | 91,236             | 103,452                                             | 96,309                 | 102,314                |
| Waste management                                  | 34,336          | 27,177          | 31,335          | 49,965               | 51,478           | 51,478             | 61,481                                              | 57,263                 | 60,669                 |
| <i><b>Other</b></i>                               | <b>-</b>        | <b>181</b>      | <b>2,596</b>    | <b>15</b>            | <b>15</b>        | <b>15</b>          | <b>16</b>                                           | <b>17</b>              | <b>18</b>              |
| <b>Total Revenue - Standard</b>                   | <b>679,939</b>  | <b>718,619</b>  | <b>841,529</b>  | <b>988,486</b>       | <b>1,014,446</b> | <b>1,014,446</b>   | <b>993,160</b>                                      | <b>1,033,232</b>       | <b>1,077,536</b>       |
| <b>Expenditure - Standard</b>                     |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <i><b>Governance and administration</b></i>       | <b>117,841</b>  | <b>150,165</b>  | <b>133,590</b>  | <b>198,777</b>       | <b>190,621</b>   | <b>190,621</b>     | <b>131,565</b>                                      | <b>133,017</b>         | <b>139,087</b>         |
| Executive and council                             | 20,704          | 44,682          | 44,434          | 27,211               | 29,228           | 29,228             | 31,805                                              | 33,070                 | 34,583                 |
| Budget and treasury office                        | 67,468          | 48,615          | 47,844          | 124,901              | 119,315          | 119,315            | 56,432                                              | 55,200                 | 58,175                 |
| Corporate services                                | 29,668          | 56,867          | 41,312          | 46,665               | 42,078           | 42,078             | 43,327                                              | 44,748                 | 46,329                 |
| <i><b>Community and public safety</b></i>         | <b>116,455</b>  | <b>100,882</b>  | <b>159,529</b>  | <b>147,865</b>       | <b>174,895</b>   | <b>174,895</b>     | <b>150,343</b>                                      | <b>145,172</b>         | <b>149,839</b>         |
| Community and social services                     | 12,616          | 17,397          | 16,456          | 18,181               | 19,296           | 19,296             | 19,411                                              | 19,504                 | 20,083                 |
| Sport and recreation                              | 17,444          | 16,708          | 17,264          | 18,545               | 18,241           | 18,241             | 19,126                                              | 19,347                 | 19,489                 |
| Public safety                                     | 44,099          | 41,342          | 40,433          | 39,481               | 42,492           | 42,492             | 44,226                                              | 45,648                 | 47,283                 |
| Housing                                           | 36,557          | 20,386          | 80,304          | 65,851               | 89,315           | 89,315             | 61,174                                              | 54,132                 | 56,235                 |
| Health                                            | 5,739           | 5,050           | 5,073           | 5,807                | 5,552            | 5,552              | 6,405                                               | 6,541                  | 6,749                  |
| <i><b>Economic and environmental services</b></i> | <b>104,597</b>  | <b>119,103</b>  | <b>118,173</b>  | <b>118,290</b>       | <b>125,860</b>   | <b>125,860</b>     | <b>144,643</b>                                      | <b>165,989</b>         | <b>137,323</b>         |
| Planning and development                          | 20,719          | 13,035          | 13,329          | 16,977               | 16,953           | 16,953             | 16,630                                              | 17,264                 | 18,098                 |
| Road transport                                    | 78,686          | 97,778          | 97,964          | 97,829               | 105,436          | 105,436            | 124,361                                             | 144,939                | 115,284                |
| Environmental protection                          | 5,192           | 8,290           | 6,880           | 3,484                | 3,471            | 3,471              | 3,652                                               | 3,785                  | 3,941                  |
| <i><b>Trading services</b></i>                    | <b>316,538</b>  | <b>341,494</b>  | <b>435,757</b>  | <b>497,593</b>       | <b>500,591</b>   | <b>500,591</b>     | <b>550,595</b>                                      | <b>590,210</b>         | <b>644,647</b>         |
| Electricity                                       | 174,523         | 190,406         | 268,241         | 329,930              | 325,845          | 325,845            | 364,931                                             | 402,749                | 448,283                |
| Water                                             | 64,098          | 69,537          | 77,538          | 78,741               | 82,212           | 82,212             | 86,223                                              | 88,006                 | 91,935                 |
| Waste water management                            | 46,687          | 49,518          | 54,246          | 53,244               | 53,970           | 53,970             | 58,086                                              | 59,066                 | 62,466                 |
| Waste management                                  | 31,229          | 32,034          | 35,732          | 35,677               | 38,565           | 38,565             | 41,356                                              | 40,390                 | 41,963                 |
| <i><b>Other</b></i>                               | <b>1,838</b>    | <b>3,486</b>    | <b>4,795</b>    | <b>2,671</b>         | <b>2,124</b>     | <b>2,124</b>       | <b>2,206</b>                                        | <b>2,316</b>           | <b>2,431</b>           |
| <b>Total Expenditure - Standard</b>               | <b>657,268</b>  | <b>715,130</b>  | <b>851,845</b>  | <b>965,196</b>       | <b>994,091</b>   | <b>994,091</b>     | <b>979,351</b>                                      | <b>1,036,704</b>       | <b>1,073,328</b>       |
| <b>Surplus/(Deficit) for the year</b>             | <b>22,671</b>   | <b>3,489</b>    | <b>(10,316)</b> | <b>23,291</b>        | <b>20,354</b>    | <b>20,354</b>      | <b>13,809</b>                                       | <b>(3,472)</b>         | <b>4,208</b>           |

**Table 11 – A3: Budgeted Financial Performance by municipal vote**

| Vote Description<br><br>R thousand              | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                  |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------|-----------------|-----------------|-----------------|----------------------|------------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget  | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>Revenue by Vote</b>                          |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| Vote 1 - Office of the City Manager             | 390             | 217             | 306             | 226                  | 603              | 603                | 428                                                 | 329                    | 381                    |
| Vote 2 - Corporate & Social Services            | 463             | 510             | 559             | 623                  | 649              | 649                | 1,852                                               | 1,981                  | 2,113                  |
| Vote 3 - Corporate & Social Services (continue) | 1,670           | 2,427           | 2,151           | 2,788                | 3,319            | 3,319              | 3,711                                               | 2,441                  | 2,541                  |
| Vote 4 - Community Safety                       | 18,826          | 11,621          | 20,181          | 21,948               | 29,198           | 29,198             | 27,045                                              | 28,579                 | 30,205                 |
| Vote 5 - Planning & Housing                     | 37,399          | 24,403          | 80,644          | 52,313               | 82,229           | 82,229             | 49,495                                              | 42,507                 | 44,679                 |
| Vote 6 - Environmental Affairs                  | 2,496           | 6,150           | 5,368           | 2,803                | 5,950            | 5,950              | 4,891                                               | 12,938                 | 12,989                 |
| Vote 7 - Environmental Affairs (continue)       | 34,336          | 27,177          | 31,335          | 49,965               | 51,478           | 51,478             | 61,788                                              | 57,589                 | 61,014                 |
| Vote 8 - Civil Engineering Services             | 191,435         | 200,369         | 177,402         | 228,834              | 232,786          | 232,786            | 251,666                                             | 262,991                | 252,988                |
| Vote 9 - Electro-technical Services             | 222,949         | 276,624         | 323,855         | 413,253              | 391,928          | 391,928            | 430,254                                             | 455,507                | 492,104                |
| Vote 10 - Treasury                              | 130,784         | 124,369         | 138,426         | 149,132              | 149,944          | 149,944            | 160,055                                             | 166,115                | 176,064                |
| Vote 11 - Treasury (continue)                   | 39,189          | 44,751          | 61,301          | 66,600               | 66,360           | 66,360             | 1,977                                               | 2,253                  | 2,459                  |
| <b>Total Revenue by Vote</b>                    | <b>679,939</b>  | <b>718,619</b>  | <b>841,529</b>  | <b>988,486</b>       | <b>1,014,446</b> | <b>1,014,446</b>   | <b>993,160</b>                                      | <b>1,033,232</b>       | <b>1,077,536</b>       |
| <b>Expenditure by Vote to be appropriated</b>   |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| Vote 1 - Office of the City Manager             | 22,175          | 52,908          | 53,298          | 37,085               | 40,522           | 40,522             | 44,077                                              | 44,805                 | 46,563                 |
| Vote 2 - Corporate & Social Services            | 15,733          | 22,509          | 17,348          | 20,111               | 19,980           | 19,980             | 19,434                                              | 19,957                 | 20,660                 |
| Vote 3 - Corporate & Social Services (continue) | 25,164          | 26,220          | 28,016          | 35,819               | 33,291           | 33,291             | 34,571                                              | 35,698                 | 37,097                 |
| Vote 4 - Community Safety                       | 51,308          | 47,257          | 46,028          | 46,746               | 50,055           | 50,055             | 50,890                                              | 52,683                 | 54,707                 |
| Vote 5 - Planning & Housing                     | 61,745          | 54,212          | 98,503          | 79,044               | 104,045          | 104,045            | 76,277                                              | 69,418                 | 72,002                 |
| Vote 6 - Environmental Affairs                  | 25,455          | 29,341          | 29,385          | 24,770               | 24,791           | 24,791             | 26,027                                              | 26,406                 | 26,827                 |
| Vote 7 - Environmental Affairs (continue)       | 33,869          | 35,201          | 38,875          | 39,355               | 42,285           | 42,285             | 45,600                                              | 44,872                 | 46,698                 |
| Vote 8 - Civil Engineering Services             | 182,141         | 210,497         | 223,586         | 221,628              | 233,366          | 233,366            | 261,229                                             | 284,172                | 261,427                |
| Vote 9 - Electro-technical Services             | 174,705         | 189,444         | 271,192         | 336,217              | 330,058          | 330,058            | 369,169                                             | 407,166                | 452,839                |
| Vote 10 - Treasury                              | 17,913          | 33,047          | 30,295          | 44,946               | 38,125           | 38,125             | 39,034                                              | 37,572                 | 39,672                 |
| Vote 11 - Treasury (continue)                   | 47,060          | 14,495          | 15,318          | 79,476               | 77,574           | 77,574             | 13,043                                              | 13,955                 | 14,838                 |
| <b>Total Expenditure by Vote</b>                | <b>657,268</b>  | <b>715,130</b>  | <b>851,845</b>  | <b>965,196</b>       | <b>994,091</b>   | <b>994,091</b>     | <b>979,351</b>                                      | <b>1,036,704</b>       | <b>1,073,328</b>       |
| <b>Surplus/(Deficit) for the year</b>           | <b>22,671</b>   | <b>3,489</b>    | <b>(10,316)</b> | <b>23,291</b>        | <b>20,354</b>    | <b>20,354</b>      | <b>13,809</b>                                       | <b>(3,472)</b>         | <b>4,208</b>           |

**Table 12 – A4: Budgeted Financial Performance by revenue source and expenditure type**

| Description<br>R thousand                                            | 2008/9          | 2009/10          | 2010/11         | Current Year 2011/12 |                 |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|-----------------|------------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      | Audited Outcome | Audited Outcome  | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>Revenue By Source</b>                                             |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Property rates                                                       | 100,329         | 104,491          | 118,748         | 139,499              | 132,499         | 132,499            | 132,499           | 137,929                                             | 142,672                | 151,115                |
| Property rates - penalties & collection charges                      | 1,567           | 1,322            | 1,330           | 1,435                | 1,435           | 1,435              | 1,435             | 1,521                                               | 1,612                  | 1,709                  |
| Service charges - electricity revenue                                | 212,090         | 267,361          | 310,240         | 398,479              | 381,179         | 381,179            | 381,179           | 408,790                                             | 448,535                | 484,159                |
| Service charges - water revenue                                      | 62,936          | 56,002           | 61,864          | 95,316               | 85,316          | 85,316             | 85,316            | 73,742                                              | 68,237                 | 71,774                 |
| Service charges - sanitation revenue                                 | 44,889          | 40,852           | 46,462          | 62,118               | 66,155          | 66,155             | 66,155            | 58,230                                              | 54,870                 | 57,758                 |
| Service charges - refuse revenue                                     | 33,334          | 26,305           | 30,484          | 48,472               | 49,830          | 49,830             | 49,830            | 38,932                                              | 34,060                 | 35,649                 |
| Service charges - other                                              | 10              | 8                | 13              | 10                   | 360             | 360                | 360               | 352                                                 | 374                    | 397                    |
| Rental of facilities and equipment                                   | 1,857           | 1,819            | 1,829           | 1,800                | 1,870           | 1,870              | 1,870             | 2,023                                               | 2,137                  | 2,258                  |
| Interest earned - external investments                               | 25,465          | 14,673           | 14,773          | 5,250                | 11,750          | 11,750             | 11,750            | 12,455                                              | 13,202                 | 13,994                 |
| Interest earned - outstanding debtors                                | 5,003           | 4,127            | 4,296           | 3,170                | 4,020           | 4,020              | 4,020             | 4,061                                               | 4,285                  | 4,522                  |
| Dividends received                                                   | -               | -                | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Fines                                                                | 11,331          | 3,759            | 13,149          | 13,253               | 16,253          | 16,253             | 16,253            | 17,228                                              | 18,262                 | 19,358                 |
| Licences and permits                                                 | 2,538           | 2,762            | 2,106           | 2,184                | 2,184           | 2,184              | 2,184             | 2,315                                               | 2,454                  | 2,601                  |
| Agency services                                                      | 4,956           | 5,120            | 5,427           | 5,695                | 5,695           | 5,695              | 5,695             | 6,037                                               | 6,399                  | 6,783                  |
| Transfers recognised - operational                                   | 78,263          | 62,597           | 137,138         | 128,450              | 165,648         | 165,648            | 165,648           | 155,883                                             | 172,889                | 158,217                |
| Other revenue                                                        | 16,406          | 10,943           | 9,945           | 7,306                | 16,255          | 16,255             | 16,255            | 22,027                                              | 13,877                 | 14,737                 |
| Gains on disposal of PPE                                             | 777             | 95               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>601,753</b>  | <b>602,237</b>   | <b>757,805</b>  | <b>912,436</b>       | <b>940,449</b>  | <b>940,449</b>     | <b>940,449</b>    | <b>941,525</b>                                      | <b>983,865</b>         | <b>1,025,032</b>       |
| <b>Expenditure By Type</b>                                           |                 |                  |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Employee related costs                                               | 181,719         | 219,740          | 227,743         | 231,321              | 236,673         | 236,673            | 236,673           | 262,722                                             | 276,403                | 292,536                |
| Remuneration of councillors                                          | 9,188           | 9,758            | 10,691          | 12,913               | 13,966          | 13,966             | 13,966            | 15,472                                              | 16,245                 | 17,057                 |
| Debt impairment                                                      | 6,770           | 13,946           | 27,524          | 11,476               | 11,476          | 11,476             | 11,476            | 14,494                                              | 11,692                 | 17,592                 |
| Depreciation & asset impairment                                      | 60,454          | 79,563           | 94,501          | 92,452               | 103,696         | 103,696            | 103,696           | 101,989                                             | 95,038                 | 91,034                 |
| Finance charges                                                      | 31,750          | 47,342           | 52,848          | 59,085               | 57,252          | 57,252             | 57,252            | 53,918                                              | 50,539                 | 46,801                 |
| Bulk purchases                                                       | 119,763         | 151,841          | 192,836         | 249,284              | 247,284         | 247,284            | 247,284           | 279,909                                             | 317,745                | 360,757                |
| Other materials                                                      | 435             | 331              | 324             | 352                  | 192             | 192                | 192               | 193                                                 | 196                    | 202                    |
| Contracted services                                                  | 48,713          | 34,039           | 94,627          | 80,719               | 116,540         | 116,540            | 116,540           | 106,150                                             | 120,708                | 94,269                 |
| Transfers and grants                                                 | 41,324          | 5,508            | 5,124           | 65,194               | 64,511          | 64,511             | 64,511            | 2,011                                               | 2,076                  | 2,147                  |
| Other expenditure                                                    | 154,806         | 150,596          | 145,187         | 162,400              | 142,502         | 142,502            | 142,502           | 142,495                                             | 146,063                | 150,933                |
| Loss on disposal of PPE                                              | 2,345           | 2,467            | 440             | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Total Expenditure</b>                                             | <b>657,268</b>  | <b>715,130</b>   | <b>851,845</b>  | <b>965,196</b>       | <b>994,091</b>  | <b>994,091</b>     | <b>994,091</b>    | <b>979,351</b>                                      | <b>1,036,704</b>       | <b>1,073,328</b>       |
| <b>Surplus/(Deficit)</b>                                             | <b>(55,515)</b> | <b>(112,893)</b> | <b>(94,039)</b> | <b>(52,759)</b>      | <b>(53,642)</b> | <b>(53,642)</b>    | <b>(53,642)</b>   | <b>(37,827)</b>                                     | <b>(52,839)</b>        | <b>(48,296)</b>        |
| Transfers recognised - capital                                       | 64,642          | 95,910           | 72,168          | 70,158               | 68,105          | 68,105             | 68,105            | 45,390                                              | 42,746                 | 45,486                 |
| Contributions recognised - capital                                   | 13,543          | 17,472           | 11,555          | 5,892                | 5,892           | 5,892              | 5,892             | 6,246                                               | 6,620                  | 7,018                  |
| Contributed assets                                                   | -               | 3,000            | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>22,671</b>   | <b>3,489</b>     | <b>(10,316)</b> | <b>23,291</b>        | <b>20,354</b>   | <b>20,354</b>      | <b>20,354</b>     | <b>13,809</b>                                       | <b>(3,472)</b>         | <b>4,208</b>           |
| Taxation                                                             | -               | -                | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Surplus/(Deficit) after taxation</b>                              | <b>22,671</b>   | <b>3,489</b>     | <b>(10,316)</b> | <b>23,291</b>        | <b>20,354</b>   | <b>20,354</b>      | <b>20,354</b>     | <b>13,809</b>                                       | <b>(3,472)</b>         | <b>4,208</b>           |
| Attributable to minorities                                           | -               | -                | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Surplus/(Deficit) attributable to municipality</b>                | <b>22,671</b>   | <b>3,489</b>     | <b>(10,316)</b> | <b>23,291</b>        | <b>20,354</b>   | <b>20,354</b>      | <b>20,354</b>     | <b>13,809</b>                                       | <b>(3,472)</b>         | <b>4,208</b>           |
| Share of surplus/ (deficit) of associate                             | -               | -                | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>22,671</b>   | <b>3,489</b>     | <b>(10,316)</b> | <b>23,291</b>        | <b>20,354</b>   | <b>20,354</b>      | <b>20,354</b>     | <b>13,809</b>                                       | <b>(3,472)</b>         | <b>4,208</b>           |

**Table 13 – A5: Budgeted Capital Expenditure by vote, standard classification and funding**

| Vote Description<br>R thousand                    | 2008/9           | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|------------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   | Audited Outcome  | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>Capital expenditure - Vote</b>                 |                  |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>  |                  |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Vote 1 - Office of the City Manager               | -                | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 2 - Corporate & Social Services              | 322              | 3               | 456             | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 3 - Corporate & Social Services (continue)   | -                | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 4 - Community Safety                         | 339              | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 5 - Planning & Housing                       | 542              | 677             | 873             | -                    | -               | -                  | -                 | 24,000                                              | 24,000                 | 24,000                 |
| Vote 6 - Environmental Affairs                    | (1,296)          | 936             | -               | 3,600                | 1,560           | 1,560              | 1,560             | 2,100                                               | 280                    | 180                    |
| Vote 7 - Environmental Affairs (continue)         | (897)            | -               | -               | -                    | -               | -                  | -                 | 1,300                                               | 2,700                  | 2,100                  |
| Vote 8 - Civil Engineering Services               | (170,044)        | (14,499)        | (38,451)        | 68,348               | 43,842          | 43,842             | 43,842            | 58,490                                              | 123,184                | 116,427                |
| Vote 9 - Electro-technical Services               | (801)            | 515             | 287             | 52,349               | 34,024          | 34,024             | 34,024            | 17,869                                              | 17,000                 | 17,000                 |
| Vote 10 - Treasury                                | -                | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Vote 11 - Treasury (continue)                     | -                | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Capital multi-year expenditure sub-total</b>   | <b>(171,835)</b> | <b>(12,368)</b> | <b>(36,836)</b> | <b>124,297</b>       | <b>79,426</b>   | <b>79,426</b>      | <b>79,426</b>     | <b>103,759</b>                                      | <b>167,164</b>         | <b>159,707</b>         |
| <b>Single-year expenditure to be appropriated</b> |                  |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Vote 1 - Office of the City Manager               | -                | -               | -               | 140                  | 79              | 79                 | 79                | 30                                                  | 585                    | 365                    |
| Vote 2 - Corporate & Social Services              | 1,401            | -               | 56              | 2,784                | 1,777           | 1,777              | 1,777             | 156                                                 | 638                    | 410                    |
| Vote 3 - Corporate & Social Services (continue)   | 1,043            | 816             | 249             | -                    | -               | -                  | -                 | 765                                                 | 740                    | 8,450                  |
| Vote 4 - Community Safety                         | 5,407            | 1,252           | 193             | 980                  | 4,010           | 4,010              | 4,010             | 3,249                                               | 447                    | -                      |
| Vote 5 - Planning & Housing                       | 566,720          | 1,370           | 5,662           | 2,530                | 1,313           | 1,313              | 1,313             | 793                                                 | 350                    | 11,110                 |
| Vote 6 - Environmental Affairs                    | 7,543            | 11,915          | 1,065           | -                    | 3,929           | 3,929              | 3,929             | 8                                                   | 850                    | 828                    |
| Vote 7 - Environmental Affairs (continue)         | 5,157            | -               | 492             | 1,000                | -               | -                  | -                 | 7,200                                               | 3,100                  | 3,550                  |
| Vote 8 - Civil Engineering Services               | 379,157          | 191,974         | 110,315         | 24,581               | 38,487          | 38,487             | 38,487            | 18,339                                              | 18,975                 | 11,725                 |
| Vote 9 - Electro-technical Services               | 42,157           | 48,109          | 54,718          | 6,320                | 3,835           | 3,835              | 3,835             | 7,220                                               | 28,295                 | 26,210                 |
| Vote 10 - Treasury                                | 195              | -               | 720             | 280                  | 470             | 470                | 470               | 230                                                 | 80                     | 80                     |
| Vote 11 - Treasury (continue)                     | -                | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>  | <b>1,008,780</b> | <b>255,435</b>  | <b>173,470</b>  | <b>38,615</b>        | <b>53,899</b>   | <b>53,899</b>      | <b>53,899</b>     | <b>37,990</b>                                       | <b>54,060</b>          | <b>62,728</b>          |
| <b>Total Capital Expenditure - Vote</b>           | <b>836,945</b>   | <b>243,067</b>  | <b>136,635</b>  | <b>162,912</b>       | <b>133,325</b>  | <b>133,325</b>     | <b>133,325</b>    | <b>141,749</b>                                      | <b>221,224</b>         | <b>222,435</b>         |
| <b>Capital Expenditure - Standard</b>             |                  |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Governance and administration</b>              | <b>558,266</b>   | <b>531</b>      | <b>876</b>      | <b>770</b>           | <b>679</b>      | <b>679</b>         | <b>679</b>        | <b>720</b>                                          | <b>705</b>             | <b>895</b>             |
| Executive and council                             | -                | -               | -               | 140                  | 79              | 79                 | 79                | 30                                                  | 585                    | 365                    |
| Budget and treasury office                        | 195              | -               | 720             | 280                  | 470             | 470                | 470               | 230                                                 | 80                     | 80                     |
| Corporate services                                | 558,071          | 531             | 155             | 350                  | 130             | 130                | 130               | 460                                                 | 40                     | 450                    |
| <b>Community and public safety</b>                | <b>24,827</b>    | <b>16,144</b>   | <b>8,352</b>    | <b>8,644</b>         | <b>12,449</b>   | <b>12,449</b>      | <b>12,449</b>     | <b>30,611</b>                                       | <b>27,155</b>          | <b>44,528</b>          |
| Community and social services                     | 6,904            | 519             | 2,423           | 2,804                | 1,777           | 1,777              | 1,777             | 1,169                                               | 1,638                  | 8,460                  |
| Sport and recreation                              | 6,281            | 12,842          | 1,019           | 3,600                | 5,479           | 5,479              | 5,479             | 2,108                                               | 950                    | 958                    |
| Public safety                                     | 5,504            | 1,252           | 193             | 80                   | 4,010           | 4,010              | 4,010             | 3,249                                               | 447                    | -                      |
| Housing                                           | 5,735            | 1,530           | 4,716           | 2,160                | 1,183           | 1,183              | 1,183             | 24,085                                              | 24,120                 | 35,110                 |
| Health                                            | 403              | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Economic and environmental services</b>        | <b>94,915</b>    | <b>34,342</b>   | <b>14,442</b>   | <b>16,850</b>        | <b>23,571</b>   | <b>23,571</b>      | <b>23,571</b>     | <b>22,941</b>                                       | <b>24,520</b>          | <b>16,500</b>          |
| Planning and development                          | 354              | 332             | -               | -                    | -               | -                  | -                 | -                                                   | 100                    | -                      |
| Road transport                                    | 94,419           | 34,002          | 14,395          | 16,850               | 23,561          | 23,561             | 23,561            | 22,941                                              | 24,410                 | 16,500                 |
| Environmental protection                          | 143              | 8               | 46              | -                    | 10              | 10                 | 10                | -                                                   | 10                     | -                      |
| <b>Trading services</b>                           | <b>158,937</b>   | <b>192,050</b>  | <b>112,965</b>  | <b>136,648</b>       | <b>96,627</b>   | <b>96,627</b>      | <b>96,627</b>     | <b>87,477</b>                                       | <b>168,844</b>         | <b>160,512</b>         |
| Electricity                                       | 56,488           | 48,576          | 55,005          | 58,669               | 37,859          | 37,859             | 37,859            | 25,089                                              | 45,295                 | 43,210                 |
| Water                                             | 57,775           | 121,994         | 48,494          | 40,816               | 28,457          | 28,457             | 28,457            | 21,064                                              | 36,998                 | 40,135                 |
| Waste water management                            | 40,359           | 21,480          | 8,974           | 36,163               | 30,312          | 30,312             | 30,312            | 32,825                                              | 80,751                 | 71,517                 |
| Waste management                                  | 4,315            | -               | 492             | 1,000                | -               | -                  | -                 | 8,500                                               | 5,800                  | 5,650                  |
| <b>Other</b>                                      | <b>-</b>         | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>          | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b>Total Capital Expenditure - Standard</b>       | <b>836,945</b>   | <b>243,067</b>  | <b>136,635</b>  | <b>162,912</b>       | <b>133,325</b>  | <b>133,325</b>     | <b>133,325</b>    | <b>141,749</b>                                      | <b>221,224</b>         | <b>222,435</b>         |
| <b>Funded by:</b>                                 |                  |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| National Government                               | 30,253           | 88,032          | 55,879          | 64,158               | 44,633          | 44,633             | 44,633            | 49,812                                              | 100,764                | 93,277                 |
| Provincial Government                             | 34,390           | 7,078           | 10,851          | 6,000                | 18,569          | 18,440             | 18,440            | 35,709                                              | 26,560                 | 34,500                 |
| District Municipality                             | -                | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Other transfers and grants                        | 0                | 4,286           | 5,438           | 4,000                | 3,000           | 3,000              | 3,000             | -                                                   | -                      | -                      |
| <b>Transfers recognised - capital</b>             | <b>64,642</b>    | <b>99,396</b>   | <b>72,168</b>   | <b>74,158</b>        | <b>66,202</b>   | <b>66,073</b>      | <b>66,073</b>     | <b>85,521</b>                                       | <b>127,324</b>         | <b>127,777</b>         |
| <b>Public contributions &amp; donations</b>       | <b>0</b>         | <b>3,000</b>    | <b>-</b>        | <b>-</b>             | <b>259</b>      | <b>259</b>         | <b>259</b>        | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b>Borrowing</b>                                  | <b>130,278</b>   | <b>126,319</b>  | <b>47,704</b>   | <b>53,770</b>        | <b>20,326</b>   | <b>20,326</b>      | <b>20,326</b>     | <b>10,650</b>                                       | <b>4,000</b>           | <b>4,000</b>           |
| <b>Internally generated funds</b>                 | <b>642,025</b>   | <b>14,352</b>   | <b>16,762</b>   | <b>34,984</b>        | <b>46,538</b>   | <b>46,667</b>      | <b>46,667</b>     | <b>45,578</b>                                       | <b>89,900</b>          | <b>90,658</b>          |
| <b>Total Capital Funding</b>                      | <b>836,945</b>   | <b>243,067</b>  | <b>136,635</b>  | <b>162,912</b>       | <b>133,325</b>  | <b>133,325</b>     | <b>133,325</b>    | <b>141,749</b>                                      | <b>221,224</b>         | <b>222,435</b>         |

**Table 14 – A6: Budgeted Financial Position**

| Description                              | 2008/9           | 2009/10          | 2010/11          | Current Year 2011/12 |                  |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|------------------------------------------|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                          | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                        |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>ASSETS</b>                            |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Current assets</b>                    |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Cash                                     | 192,888          | 146,881          | 232,497          | 155,996              | 155,996          | 155,996            | 155,996           | 308,892                                             | 238,960                | 173,891                |
| Call investment deposits                 | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| Consumer debtors                         | 60,395           | 70,730           | 74,358           | 77,184               | 77,184           | 77,184             | 77,184            | 72,184                                              | 67,575                 | 63,196                 |
| Other debtors                            | 25,636           | 67,899           | 30,698           | 21,000               | 21,000           | 21,000             | 21,000            | 32,540                                              | 34,167                 | 21,420                 |
| Current portion of long-term receivables | 900              | 802              | 316              | 560                  | 560              | 560                | 560               | 226                                                 | 190                    | 182                    |
| Inventory                                | 335,905          | 310,015          | 304,479          | 298,646              | 298,646          | 298,646            | 298,646           | 290,787                                             | 275,787                | 271,287                |
| <b>Total current assets</b>              | <b>615,724</b>   | <b>596,328</b>   | <b>642,349</b>   | <b>553,386</b>       | <b>553,386</b>   | <b>553,386</b>     | <b>553,386</b>    | <b>704,630</b>                                      | <b>616,679</b>         | <b>529,977</b>         |
| <b>Non current assets</b>                |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Long-term receivables                    | 4,273            | 1,481            | 1,357            | 740                  | 740              | 740                | 740               | 852                                                 | 654                    | 724                    |
| Investments                              | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| Investment property                      | -                | 85,475           | 137,320          | -                    | -                | -                  | -                 | 137,315                                             | 137,310                | 137,306                |
| Investment in Associate                  | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| Property, plant and equipment            | 1,733,825        | 1,876,605        | 1,865,929        | 2,103,975            | 2,103,975        | 2,103,975          | 2,103,975         | 2,154,385                                           | 2,282,571              | 2,415,972              |
| Agricultural                             | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| Biological                               | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| Intangible                               | 1,527            | 1,920            | 2,099            | 2,538                | 2,538            | 2,538              | 2,538             | 1,929                                               | 3,830                  | 5,450                  |
| Other non-current assets                 | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| <b>Total non current assets</b>          | <b>1,739,625</b> | <b>1,965,480</b> | <b>2,006,705</b> | <b>2,107,253</b>     | <b>2,107,253</b> | <b>2,107,253</b>   | <b>2,107,253</b>  | <b>2,294,481</b>                                    | <b>2,424,366</b>       | <b>2,559,451</b>       |
| <b>TOTAL ASSETS</b>                      | <b>2,355,349</b> | <b>2,561,808</b> | <b>2,649,053</b> | <b>2,660,639</b>     | <b>2,660,639</b> | <b>2,660,639</b>   | <b>2,660,639</b>  | <b>2,999,111</b>                                    | <b>3,041,045</b>       | <b>3,089,428</b>       |
| <b>LIABILITIES</b>                       |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Current liabilities</b>               |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Bank overdraft                           | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| Borrowing                                | 20,362           | 26,064           | 30,533           | 30,819               | 30,819           | 30,819             | 30,819            | 35,932                                              | 39,665                 | 43,398                 |
| Consumer deposits                        | 11,527           | 13,412           | 14,897           | 15,876               | 15,876           | 15,876             | 15,876            | 16,828                                              | 17,838                 | 18,195                 |
| Trade and other payables                 | 84,419           | 103,284          | 143,544          | 59,949               | 59,949           | 59,949             | 59,949            | 63,449                                              | 68,066                 | 53,982                 |
| Provisions                               | 19,936           | 26,896           | 31,763           | 24,858               | 24,858           | 24,858             | 24,858            | 36,527                                              | 40,180                 | 46,207                 |
| <b>Total current liabilities</b>         | <b>136,244</b>   | <b>169,656</b>   | <b>220,737</b>   | <b>131,500</b>       | <b>131,500</b>   | <b>131,500</b>     | <b>131,500</b>    | <b>152,736</b>                                      | <b>165,749</b>         | <b>161,782</b>         |
| <b>Non current liabilities</b>           |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Borrowing                                | 389,972          | 487,384          | 520,870          | 534,734              | 534,734          | 534,734            | 534,734           | 462,681                                             | 424,166                | 378,968                |
| Provisions                               | 63,706           | 80,276           | 93,271           | 82,838               | 82,838           | 82,838             | 82,838            | 94,436                                              | 100,102                | 103,105                |
| <b>Total non current liabilities</b>     | <b>453,678</b>   | <b>567,661</b>   | <b>614,140</b>   | <b>617,572</b>       | <b>617,572</b>   | <b>617,572</b>     | <b>617,572</b>    | <b>557,117</b>                                      | <b>524,268</b>         | <b>482,073</b>         |
| <b>TOTAL LIABILITIES</b>                 | <b>589,922</b>   | <b>737,316</b>   | <b>834,878</b>   | <b>749,073</b>       | <b>749,073</b>   | <b>749,073</b>     | <b>749,073</b>    | <b>709,853</b>                                      | <b>690,017</b>         | <b>643,855</b>         |
| <b>NET ASSETS</b>                        | <b>1,765,427</b> | <b>1,824,492</b> | <b>1,814,176</b> | <b>1,911,567</b>     | <b>1,911,567</b> | <b>1,911,567</b>   | <b>1,911,567</b>  | <b>2,289,257</b>                                    | <b>2,351,028</b>       | <b>2,445,573</b>       |
| <b>COMMUNITY WEALTH/EQUITY</b>           |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Accumulated Surplus/(Deficit)            | 1,358,541        | 1,754,409        | 1,743,465        | 1,830,056            | 1,830,056        | 1,830,056          | 1,830,056         | 2,206,408                                           | 2,273,406              | 2,369,906              |
| Reserves                                 | 406,886          | 70,083           | 70,711           | 81,511               | 81,511           | 81,511             | 81,511            | 82,849                                              | 77,622                 | 75,667                 |
| Minorities' interests                    | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | <b>1,765,427</b> | <b>1,824,492</b> | <b>1,814,176</b> | <b>1,911,567</b>     | <b>1,911,567</b> | <b>1,911,567</b>   | <b>1,911,567</b>  | <b>2,289,257</b>                                    | <b>2,351,028</b>       | <b>2,445,573</b>       |

**Table 15 – A7: Budgeted Cash Flow**

| Description                                       | 2008/9           | 2009/10          | 2010/11          | Current Year 2011/12 |                  |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                 |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Ratepayers and other                              | 506,543          | 527,358          | 704,062          | 754,678              | 756,474          | 756,474            | 756,474           | 821,208                                             | 847,887                | 906,389                |
| Government - operating                            | 50,762           | 62,597           | 137,138          | 128,450              | 165,648          | 165,648            | 165,648           | 135,322                                             | 153,469                | 128,022                |
| Government - capital                              | 92,144           | 95,910           | 72,168           | 70,158               | 68,105           | 68,105             | 68,105            | 81,444                                              | 72,961                 | 87,147                 |
| Interest                                          | 30,468           | 18,800           | 19,069           | 8,306                | 15,569           | 15,569             | 15,569            | 16,760                                              | 17,744                 | 18,788                 |
| Dividends                                         | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| <b>Payments</b>                                   |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Suppliers and employees                           | (497,193)        | (559,264)        | (693,354)        | (736,489)            | (756,564)        | (756,564)          | (756,564)         | (806,415)                                           | (876,809)              | (915,174)              |
| Finance charges                                   | (31,750)         | (47,342)         | (51,759)         | (59,085)             | (57,252)         | (57,252)           | (57,252)          | (53,918)                                            | (50,539)               | (46,801)               |
| Transfers and Grants                              | (41,324)         | (5,508)          | (5,124)          | (65,194)             | (1,426)          | (1,426)            | (1,426)           | (2,011)                                             | (2,076)                | (2,147)                |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  | <b>109,649</b>   | <b>92,552</b>    | <b>182,201</b>   | <b>100,824</b>       | <b>190,553</b>   | <b>190,553</b>     | <b>190,553</b>    | <b>192,391</b>                                      | <b>162,638</b>         | <b>176,223</b>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Proceeds on disposal of PPE                       | 691              | 176              | 965              | 5,000                | 5,000            | 5,000              | 5,000             | 7,859                                               | 15,000                 | 10,000                 |
| Decrease (Increase) in non-current debtors        | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| Decrease (increase) other non-current receivables | 325              | 1,753            | 1,750            | 511                  | 511              | 511                | 511               | 5,000                                               | 5,000                  | 5,000                  |
| Decrease (increase) in non-current investments    | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| <b>Payments</b>                                   |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Capital assets                                    | (285,769)        | (243,602)        | (137,256)        | (162,912)            | (133,325)        | (133,325)          | (133,325)         | (141,749)                                           | (221,224)              | (222,435)              |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  | <b>(284,753)</b> | <b>(241,673)</b> | <b>(134,541)</b> | <b>(157,401)</b>     | <b>(127,814)</b> | <b>(127,814)</b>   | <b>(127,814)</b>  | <b>(128,890)</b>                                    | <b>(201,224)</b>       | <b>(207,435)</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| <b>Receipts</b>                                   |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Short term loans                                  | -                | -                | -                | -                    | -                | -                  | -                 | -                                                   | -                      | -                      |
| Borrowing long term/refinancing                   | 107,443          | 125,200          | 65,000           | 40,000               | -                | -                  | -                 | 10,650                                              | 4,000                  | 4,000                  |
| Increase (decrease) in consumer deposits          | -                | -                | -                | 899                  | 899              | 899                | 899               | 1,982                                               | 585                    | 1,807                  |
| <b>Payments</b>                                   |                  |                  |                  |                      |                  |                    |                   |                                                     |                        |                        |
| Repayment of borrowing                            | (15,609)         | (22,086)         | (27,045)         | (30,819)             | (30,819)         | (30,819)           | (30,819)          | (32,557)                                            | (35,932)               | (39,665)               |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>  | <b>91,834</b>    | <b>103,114</b>   | <b>37,955</b>    | <b>10,080</b>        | <b>(29,920)</b>  | <b>(29,920)</b>    | <b>(29,920)</b>   | <b>(19,925)</b>                                     | <b>(31,347)</b>        | <b>(33,858)</b>        |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      | <b>(83,269)</b>  | <b>(46,007)</b>  | <b>85,615</b>    | <b>(46,496)</b>      | <b>32,820</b>    | <b>32,820</b>      | <b>32,820</b>     | <b>43,576</b>                                       | <b>(69,932)</b>        | <b>(65,069)</b>        |
| Cash/cash equivalents at the year begin:          | 276,157          | 192,888          | 146,881          | 202,492              | 232,497          | 232,497            | 232,497           | 265,316                                             | 308,892                | 238,960                |
| Cash/cash equivalents at the year end:            | 192,888          | 146,881          | 232,497          | 155,996              | 265,316          | 265,316            | 265,316           | 308,892                                             | 238,960                | 173,891                |

**Table 16 – A8: Cash backed reserves/accumulated surplus reconciliation**

| Description                                       | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    |                   | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                 |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| <b>Cash and investments available</b>             |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Cash/cash equivalents at the year end             | 192,888         | 146,881         | 232,497         | 155,996              | 265,316         | 265,316            | 265,316           | 308,892                                             | 238,960                | 173,891                |
| Other current investments > 90 days               | -               | -               | -               | 0                    | (109,320)       | (109,320)          | (109,320)         | 0                                                   | 0                      | 0                      |
| Non current assets - Investments                  | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Cash and investments available:</b>            | <b>192,888</b>  | <b>146,881</b>  | <b>232,497</b>  | <b>155,996</b>       | <b>155,996</b>  | <b>155,996</b>     | <b>155,996</b>    | <b>308,892</b>                                      | <b>238,960</b>         | <b>173,891</b>         |
| <b>Application of cash and investments</b>        |                 |                 |                 |                      |                 |                    |                   |                                                     |                        |                        |
| Unspent conditional transfers                     | 18,660          | 13,412          | 34,311          | 282                  | 282             | 282                | 282               | 202                                                 | -                      | -                      |
| Unspent borrowing                                 | 4,115           | 2,996           | 20,291          | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Statutory requirements                            | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Other working capital requirements                | (27,840)        | (56,963)        | (30,434)        | (36,201)             | (38,404)        | (38,404)           | (38,404)          | (48,886)                                            | (40,763)               | (36,719)               |
| Other provisions                                  | 197,954         | 187,438         | 208,328         | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Long term investments committed                   | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| Reserves to be backed by cash/investments         | -               | -               | -               | -                    | -               | -                  | -                 | -                                                   | -                      | -                      |
| <b>Total Application of cash and investments:</b> | <b>192,888</b>  | <b>146,881</b>  | <b>232,497</b>  | <b>(35,919)</b>      | <b>(38,122)</b> | <b>(38,122)</b>    | <b>(38,122)</b>   | <b>(48,684)</b>                                     | <b>(40,763)</b>        | <b>(36,719)</b>        |
| <b>Surplus(shortfall)</b>                         | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>191,916</b>       | <b>194,119</b>  | <b>194,119</b>     | <b>194,119</b>    | <b>357,576</b>                                      | <b>279,723</b>         | <b>210,610</b>         |

**Table 17 – A9: Asset Management**

**George Municipality – 2012/13 Draft Annual Budget and MTREF**

| Description                                           | 2008/9           | 2009/10          | 2010/11          | Current Year 2011/12 |                  |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------------|------------------|------------------|------------------|----------------------|------------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                       | Audited Outcome  | Audited Outcome  | Audited Outcome  | Original Budget      | Adjusted Budget  | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                     |                  |                  |                  |                      |                  |                    |                                                     |                        |                        |
| <b>CAPITAL EXPENDITURE</b>                            |                  |                  |                  |                      |                  |                    |                                                     |                        |                        |
| <b>Total New Assets</b>                               | <b>848,167</b>   | <b>212,714</b>   | <b>135,070</b>   | <b>145,952</b>       | <b>111,370</b>   | <b>111,370</b>     | <b>121,404</b>                                      | <b>166,349</b>         | <b>168,110</b>         |
| Infrastructure - Road transport                       | 114,599          | 45,176           | 21,622           | 3,420                | 3,420            | 3,420              | 8,246                                               | 10,080                 | 1,620                  |
| Infrastructure - Electricity                          | 42,788           | 54,089           | 50,704           | 57,649               | 36,636           | 36,636             | 18,829                                              | 35,650                 | 33,650                 |
| Infrastructure - Water                                | 54,686           | 83,752           | 35,070           | 21,316               | 15,147           | 15,147             | 13,530                                              | 17,233                 | 35,210                 |
| Infrastructure - Sanitation                           | 37,556           | 5,239            | 13,056           | 28,013               | 22,282           | 22,282             | 25,775                                              | 70,251                 | 61,217                 |
| Infrastructure - Other                                | 1,119            | 131              | (0)              | 6,900                | 11,000           | 11,000             | 12,054                                              | –                      | –                      |
| Infrastructure                                        | 250,749          | 188,387          | 120,452          | 117,298              | 88,484           | 88,484             | 78,433                                              | 133,214                | 131,697                |
| Community                                             | 20,280           | 15,934           | 9,156            | 23,210               | 16,893           | 16,893             | 25,712                                              | 15,950                 | 18,160                 |
| Heritage assets                                       | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Investment properties                                 | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Other assets                                          | 577,048          | 8,394            | 5,462            | 5,434                | 5,993            | 5,993              | 17,249                                              | 14,675                 | 15,743                 |
| Agricultural Assets                                   | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Biological assets                                     | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Intangibles                                           | 90               | –                | –                | 10                   | –                | –                  | 10                                                  | 2,510                  | 2,510                  |
| <b>Total Renewal of Existing Assets</b>               | <b>(11,222)</b>  | <b>30,352</b>    | <b>1,565</b>     | <b>16,960</b>        | <b>21,955</b>    | <b>21,955</b>      | <b>20,345</b>                                       | <b>54,875</b>          | <b>54,325</b>          |
| Infrastructure - Road transport                       | (9,174)          | (2,681)          | –                | 5,000                | 9,209            | 9,209              | –                                                   | 14,500                 | 15,000                 |
| Infrastructure - Electricity                          | (2,145)          | 242              | 208              | 1,250                | 2,400            | 2,400              | 6,000                                               | 5,500                  | 5,500                  |
| Infrastructure - Water                                | (402)            | 28,681           | 1,331            | 4,000                | 2,000            | 2,000              | 4,500                                               | 4,500                  | 4,500                  |
| Infrastructure - Sanitation                           | –                | (0)              | –                | 4,000                | 7,240            | 7,240              | 2,000                                               | 3,000                  | 3,000                  |
| Infrastructure - Other                                | 0                | 0                | (0)              | –                    | –                | –                  | –                                                   | –                      | –                      |
| Infrastructure                                        | (11,722)         | 26,242           | 1,539            | 14,250               | 20,849           | 20,849             | 12,500                                              | 27,500                 | 28,000                 |
| Community                                             | 499              | 3,871            | 17               | 2,700                | 1,106            | 1,106              | 6,325                                               | 25,175                 | 24,325                 |
| Heritage assets                                       | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Investment properties                                 | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Other assets                                          | –                | 239              | 9                | 10                   | –                | –                  | 1,520                                               | 2,200                  | 2,000                  |
| Agricultural Assets                                   | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Biological assets                                     | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Intangibles                                           | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| <b>Total Capital Expenditure</b>                      |                  |                  |                  |                      |                  |                    |                                                     |                        |                        |
| Infrastructure - Road transport                       | 105,425          | 42,496           | 21,622           | 8,420                | 12,629           | 12,629             | 8,246                                               | 24,580                 | 16,620                 |
| Infrastructure - Electricity                          | 40,642           | 54,331           | 50,912           | 58,899               | 39,036           | 39,036             | 24,829                                              | 41,150                 | 39,150                 |
| Infrastructure - Water                                | 54,284           | 112,433          | 36,401           | 25,316               | 17,147           | 17,147             | 18,030                                              | 21,733                 | 39,710                 |
| Infrastructure - Sanitation                           | 37,556           | 5,239            | 13,056           | 32,013               | 29,522           | 29,522             | 27,775                                              | 73,251                 | 64,217                 |
| Infrastructure - Other                                | 1,119            | 131              | (0)              | 6,900                | 11,000           | 11,000             | 12,054                                              | –                      | –                      |
| Infrastructure                                        | 239,027          | 214,629          | 121,991          | 131,548              | 109,333          | 109,333            | 90,933                                              | 160,714                | 159,697                |
| Community                                             | 20,779           | 19,805           | 9,173            | 25,910               | 17,999           | 17,999             | 32,037                                              | 41,125                 | 42,485                 |
| Heritage assets                                       | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Investment properties                                 | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Other assets                                          | 577,048          | 8,633            | 5,471            | 5,444                | 5,993            | 5,993              | 18,769                                              | 16,875                 | 17,743                 |
| Agricultural Assets                                   | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Biological assets                                     | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Intangibles                                           | 90               | –                | –                | 10                   | –                | –                  | 10                                                  | 2,510                  | 2,510                  |
| <b>TOTAL CAPITAL EXPENDITURE - Asset class</b>        | <b>836,945</b>   | <b>243,067</b>   | <b>136,635</b>   | <b>162,912</b>       | <b>133,325</b>   | <b>133,325</b>     | <b>141,749</b>                                      | <b>221,224</b>         | <b>222,435</b>         |
| <b>ASSET REGISTER SUMMARY - PPE (WDV)</b>             |                  |                  |                  |                      |                  |                    |                                                     |                        |                        |
| Infrastructure - Road transport                       | 245,700          | 328,066          | 316,984          | 251,130              | 251,130          | 251,130            | 220,060                                             | 206,237                | 185,545                |
| Infrastructure - Electricity                          | 215,456          | 160,331          | 187,301          | 230,411              | 230,411          | 230,411            | 244,194                                             | 272,824                | 299,559                |
| Infrastructure - Water                                | 123,493          | 262,499          | 321,464          | 351,883              | 351,883          | 351,883            | 350,681                                             | 352,641                | 372,622                |
| Infrastructure - Sanitation                           | 137,559          | 160,603          | 141,098          | 235,835              | 235,835          | 235,835            | 253,605                                             | 316,909                | 371,047                |
| Infrastructure - Other                                | 93,131           | 30,541           | 36,421           | 225,696              | 225,696          | 225,696            | 233,588                                             | 230,673                | 228,516                |
| Infrastructure                                        | 815,339          | 942,039          | 1,003,268        | 1,294,955            | 1,294,955        | 1,294,955          | 1,302,129                                           | 1,379,283              | 1,457,288              |
| Community                                             | 131,774          | 118,642          | 124,182          | 164,894              | 164,894          | 164,894            | 190,006                                             | 224,190                | 259,921                |
| Heritage assets                                       | 607              | 607              | 607              | 607                  | 607              | 607                | 607                                                 | 607                    | 607                    |
| Investment properties                                 | –                | 85,475           | 137,320          | –                    | –                | –                  | 137,315                                             | 137,310                | 137,306                |
| Other assets                                          | 786,105          | 815,316          | 737,872          | 643,519              | 643,519          | 643,519            | 649,352                                             | 657,977                | 669,419                |
| Agricultural Assets                                   | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Biological assets                                     | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Intangibles                                           | 1,527            | 1,920            | 2,099            | 2,538                | 2,538            | 2,538              | 1,929                                               | 3,830                  | 5,450                  |
| <b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>       | <b>1,735,352</b> | <b>1,963,999</b> | <b>2,005,348</b> | <b>2,106,513</b>     | <b>2,106,513</b> | <b>2,106,513</b>   | <b>2,281,338</b>                                    | <b>2,403,198</b>       | <b>2,529,992</b>       |
| <b>EXPENDITURE OTHER ITEMS</b>                        |                  |                  |                  |                      |                  |                    |                                                     |                        |                        |
| <b>Depreciation &amp; asset impairment</b>            | <b>60,454</b>    | <b>79,563</b>    | <b>94,501</b>    | <b>92,452</b>        | <b>103,696</b>   | <b>103,696</b>     | <b>101,989</b>                                      | <b>95,038</b>          | <b>91,034</b>          |
| <b>Repairs and Maintenance by Asset Class</b>         | <b>53,999</b>    | <b>52,446</b>    | <b>55,364</b>    | <b>65,113</b>        | <b>56,939</b>    | <b>56,939</b>      | <b>66,104</b>                                       | <b>69,537</b>          | <b>72,994</b>          |
| Infrastructure - Road transport                       | 17,168           | 18,864           | 19,301           | 19,340               | 15,105           | 15,105             | 19,701                                              | 20,334                 | 21,041                 |
| Infrastructure - Electricity                          | 11,414           | 7,182            | 6,688            | 10,096               | 7,107            | 7,107              | 8,071                                               | 8,545                  | 8,947                  |
| Infrastructure - Water                                | 6,799            | 6,307            | 3,506            | 7,718                | 6,502            | 6,502              | 6,849                                               | 7,193                  | 7,555                  |
| Infrastructure - Sanitation                           | 6,475            | 6,657            | 9,648            | 9,225                | 9,215            | 9,215              | 9,660                                               | 10,497                 | 11,355                 |
| Infrastructure - Other                                | 20               | –                | 1                | 10                   | 10               | 10                 | 11                                                  | 11                     | 12                     |
| Infrastructure                                        | 41,876           | 39,010           | 39,145           | 46,389               | 37,939           | 37,939             | 44,291                                              | 46,580                 | 48,909                 |
| Community                                             | 1,685            | 2,011            | 3,488            | 2,392                | 2,997            | 2,997              | 3,129                                               | 3,265                  | 3,350                  |
| Heritage assets                                       | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Investment properties                                 | –                | –                | –                | –                    | –                | –                  | –                                                   | –                      | –                      |
| Other assets                                          | 10,439           | 11,425           | 12,731           | 16,332               | 16,003           | 16,003             | 18,684                                              | 19,692                 | 20,736                 |
| <b>TOTAL EXPENDITURE OTHER ITEMS</b>                  | <b>114,453</b>   | <b>132,008</b>   | <b>149,866</b>   | <b>157,565</b>       | <b>160,636</b>   | <b>160,636</b>     | <b>168,093</b>                                      | <b>164,574</b>         | <b>164,029</b>         |
| <b>Renewal of Existing Assets as % of total capex</b> | <b>-1.3%</b>     | <b>12.5%</b>     | <b>1.1%</b>      | <b>10.4%</b>         | <b>16.5%</b>     | <b>16.5%</b>       | <b>14.4%</b>                                        | <b>24.8%</b>           | <b>24.4%</b>           |
| <b>Renewal of Existing Assets as % of deprecn"</b>    | <b>-18.6%</b>    | <b>38.1%</b>     | <b>1.7%</b>      | <b>18.3%</b>         | <b>21.2%</b>     | <b>21.2%</b>       | <b>19.9%</b>                                        | <b>57.7%</b>           | <b>59.7%</b>           |
| <b>R&amp;M as a % of PPE</b>                          | <b>3.1%</b>      | <b>2.8%</b>      | <b>3.0%</b>      | <b>3.1%</b>          | <b>2.7%</b>      | <b>2.7%</b>        | <b>3.1%</b>                                         | <b>3.0%</b>            | <b>3.0%</b>            |
| <b>Renewal and R&amp;M as a % of PPE</b>              | <b>2.0%</b>      | <b>4.0%</b>      | <b>3.0%</b>      | <b>4.0%</b>          | <b>4.0%</b>      | <b>4.0%</b>        | <b>4.0%</b>                                         | <b>5.0%</b>            | <b>5.0%</b>            |

## **Part 2 – Supporting documentation**

### **2.1 - Disclosure on implementation of the MFMA & other applicable legislation**

#### **Municipal Finance Management Act – No 56 of 2003**

The MFMA became effective on 1<sup>st</sup> July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. George has been designated as a high capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

#### **The MFMA and the budget**

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

### **2.2 – The budget preparation process**

#### **2.2.1 – Overview**

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment costs.

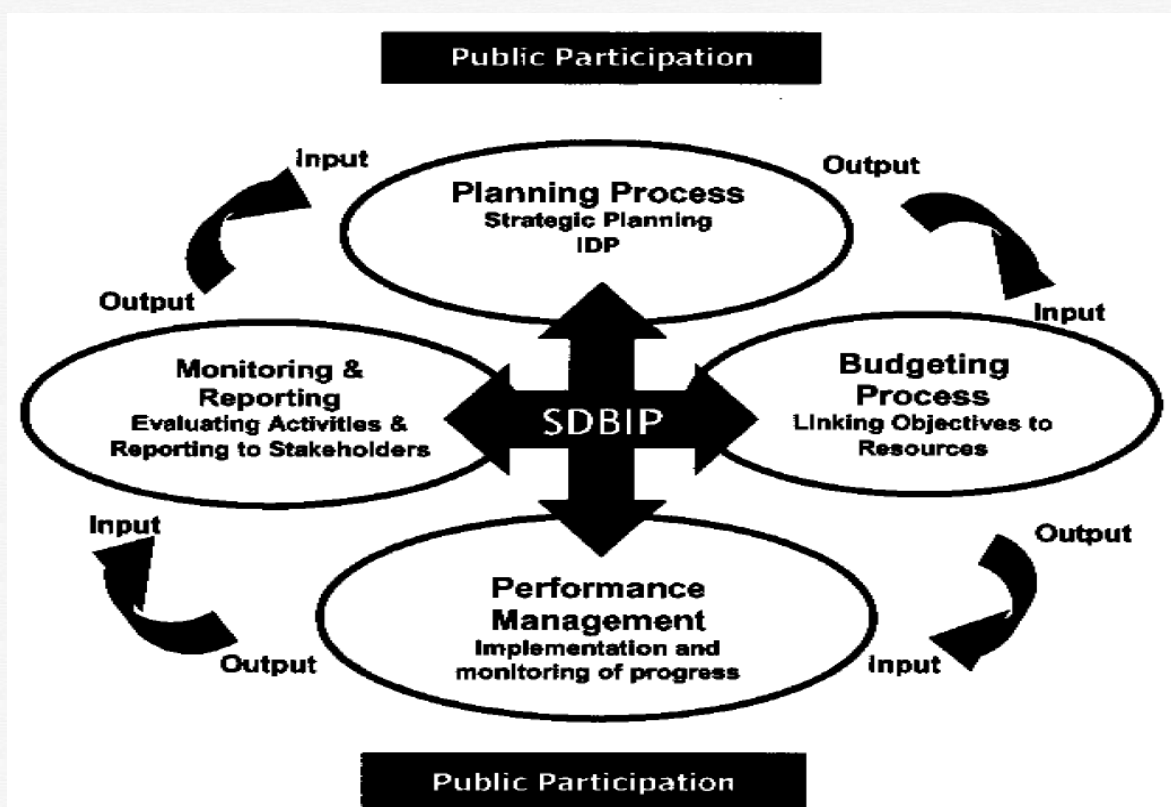
The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

### 2.2.2 – Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

The next diagram depicts the planning, implementation and monitoring process that is followed in George Municipality.



In terms of Section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.

:

**Table 18 – Schedule of Key Deadlines relating to the budget process**

| DELIVERABLE AND PROCESS MANAGEMENT                                                                           | RESPONSIBILITY                 | OUTPUT                                                                                                               | DATE                              |
|--------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b>PREPARATION PHASE</b>                                                                                     |                                |                                                                                                                      |                                   |
| Development of IDP & Budget Process Plan                                                                     | IDP & Budget Office            | Approved IDP and Budget Process Plan                                                                                 | July 2011                         |
| Advert for the revival of the IDP and Budget Representative Forum and the IDP and budget process (2012/2013) | IDP                            |                                                                                                                      | 28 July 2011                      |
| Establishment of 2012/2013 Budget Committee                                                                  | BUDGET                         |                                                                                                                      | August 2011                       |
| <b>MAYCO MEETING:</b> Tabling of the Draft IDP and budget Process Plan to MAYCO                              | Executive Mayor                |                                                                                                                      | August 2011                       |
| <b>COUNCIL MEETING:</b> Adoption of the IDP and budget Process Plan                                          | Executive Mayor                |                                                                                                                      | August 2011                       |
| Submit Process Plan to the MEC for Local Government                                                          | IDP                            |                                                                                                                      | September 2011                    |
| Produce outline Budget Strategy document with high level estimates                                           | BUDGET                         |                                                                                                                      | September 2011                    |
| Present the Process Plan to the IDP & Budget Rep. Forum                                                      | IDP/ Executive Mayor           |                                                                                                                      | September 2011                    |
| First Budget Workshop                                                                                        | BUDGET                         |                                                                                                                      | September 2011                    |
| First Meeting of Budget Committee                                                                            | BUDGET                         |                                                                                                                      | September 2011                    |
| Provincial IDP Indaba                                                                                        | IDP/PGWC                       | IDP Indaba                                                                                                           | 8-9 September 2011                |
| <b>ANALYSIS PHASE</b>                                                                                        |                                |                                                                                                                      |                                   |
| Community Based Planning                                                                                     | IDP/Service Provider           | Determine and assess the current level of development and the emerging challenges, opportunities and priority issues | Mid September- Early October 2011 |
| Review and document information submitted by Clusters                                                        | IDP                            |                                                                                                                      | October 2011                      |
| First draft situational analysis ready                                                                       | IDP                            |                                                                                                                      | October 2011                      |
| Initial consultation with Eden District, PAWC, Local Municipalities and National Government, if required     | BUDGET                         |                                                                                                                      | October 2011                      |
| Budget Related Policies Reviewed                                                                             | BUDGET                         |                                                                                                                      | October 2011                      |
| Budget Instructions issued to Departments                                                                    | BUDGET                         |                                                                                                                      | October 2011                      |
| Initial Drafting of operating and capital budget by departments                                              | BUDGET                         |                                                                                                                      | October 2011                      |
| <b>STRATEGY PHASE</b>                                                                                        |                                |                                                                                                                      |                                   |
| IDP and Budget Steering Committee: Cluster leaders present priority issues                                   | IDP& Budget Steering Committee | Develop objectives for priority issues and determine programmes to achieve strategic intent including the            | October 2011                      |
| Present first draft situational analysis to the IDP & Budget Rep. Forum and request inputs for the new       | IDP/ Executive Mayor           |                                                                                                                      | October 2011                      |

|                                                                                                                 |                                    |                                              |                     |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|---------------------|
| Municipal Vision, Mission, Strategies & Objectives                                                              |                                    | development of the organisational scorecard  |                     |
| <b>MAYCO MEETING:</b> MAYCO to confirm & approve priorities, Municipal Vision, Mission, Strategies & Objectives | IDP/Budget Office/ Executive Mayor |                                              | 9 November 2011     |
| Continued drafting and formulating of operating and capital budget by departments                               | BUDGET                             |                                              | November 2011       |
| Review tariffs and budget policies                                                                              | CFO                                |                                              | February 2012       |
| <b>PROJECT PHASE</b>                                                                                            |                                    |                                              |                     |
| Set and agree on IDP priority programme/projects                                                                | Executive Mayor/MM                 | Identify projects and set output, targets    | 10 November 2011    |
| Drafting of operating and capital budget by departments                                                         | BUDGET                             |                                              | December 2011       |
| Review and align National and Provincial allocation for inclusion in the draft IDP and MTREF budget             | MM/CFO                             | Agree on spatial location of the projects    | 13 December 2011    |
| Operating and Capital Budget considered by Budget Committee                                                     | BUDGET                             |                                              | January 2012        |
| Operating and Capital Budget considered by Budget Committee                                                     | BUDGET                             |                                              | February 2012       |
| Directorates develop draft 2012/13 SDBIP and present to Portfolio Committees                                    | IDP/Budget Office                  |                                              | 9 March 2012        |
| One and multi year scorecard presented to MAYCO                                                                 | MM                                 |                                              | 16 March 2012       |
| <b>INTEGRATION PHASE</b>                                                                                        |                                    |                                              |                     |
| Institutional Plan developed to deliver on the municipal strategy                                               | MM                                 | Integrate and align with sector plans        | 19 March 2012       |
| Directorates identifying programmes and projects with external stakeholders                                     | ALL                                | Incorporate programmes and projects into IDP | 23 March 2012       |
| Integration of sector plans and institutional programmes                                                        | IDP                                |                                              | 23 March 2012       |
| Financial plan and capital investment plan are developed                                                        | CFO                                |                                              | 23 March 2012       |
| Presentation of draft IDP & budget to the IDP and Budget Steering Committee                                     | Executive Mayor /MM                |                                              | 26 March 2012       |
| <b>APPROVAL PHASE</b>                                                                                           |                                    |                                              |                     |
| Tabling of the Draft IDP and Budget in Council by 30th                                                          | Executive Mayor                    | Approved IDP, budget and SDBIP               | March 2012          |
| Related Policies tabled at Council and made public (MFMA Section 16 & 22)                                       | BUDGET                             |                                              | March 2012          |
| SDBIP's finalized subject to consultation outcome                                                               | BUDGET                             |                                              | March 2012          |
| Mayoral Committee considered Draft Operating and Capital Budget                                                 | BUDGET                             |                                              | March 2012          |
| Submission of draft IDP and budget to MECs Treasury and Local Government                                        | IDP/Budget Office/MM               |                                              | 2 April 2012        |
| Invite public comments on Draft IDP and Budget including Roadshows                                              | IDP/Budget Office                  |                                              | Month of April 2012 |
| IDP/Budget Lekgotla to consider submissions,                                                                    | ALL                                |                                              | May 2012            |

|                                                                                                                                                                                                                          |                                                |                                                  |                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------|----------------------|
| representations and recommendations from Roadshows. Executive Mayor be provided with an opportunity to respond to submissions during consultation and table amendments for Council consideration                         |                                                |                                                  |                      |
| Presentation of the final draft IDP, budget to the IDP and Budget Steering Committee                                                                                                                                     | Executive Mayor /MM                            |                                                  | May 2012             |
| Council meeting to adopt final IDP, Budget and Budget Related Policies                                                                                                                                                   | Council                                        |                                                  | May 2012             |
| Submission of Final IDP and budget to MECs Treasury and Local Government                                                                                                                                                 | IDP/Budget Office/MM                           |                                                  | May 2012             |
| Publication of approved IDP and budget on website and in local newspapers                                                                                                                                                | IDP/Budget Office                              |                                                  | May 2012             |
| Finalisation and submission of draft 2012/13 SDBIP and annual performance agreement by Municipal Manager to the Executive Mayor                                                                                          | MM                                             | Approved SDBIP and annual performance agreements | June 2012            |
| Executive Mayor approves the 2012/13 SDBIP and annual performance agreements of the Municipal Manager and Senior Managers with 28 days after the approval of the IDP and budget.                                         | Executive Mayor                                |                                                  | June 2012            |
| Executive Mayor submits the approved SDBIP and performance agreements to Council, MEC Local Government within 14 days after approval                                                                                     | Council/ Executive Mayor/MM/ IDP/Budget Office |                                                  | July 2012            |
| <b>MONITORING AND EVALUATION PHASE</b>                                                                                                                                                                                   |                                                |                                                  |                      |
| Commence with the compilation of the Annual Report 2011/12 and forward it to Auditor general                                                                                                                             | MM/Corporate Services                          | Compile annual report                            | July -September 2012 |
| Quarterly SDBIP performance progress report for first quarter of 2012/13 <b>MPPMR 14</b> to Internal Audit, Audit Committee, Senior Management, MAYCO, Section 80 Committees and Council                                 | IDP/Budget Office                              | Approved SDBIP performance reports               | October 2012         |
| Section 55 (56/57) Managers' first quarter assessments for 2012/13                                                                                                                                                       | MM                                             | Service delivery performance assessed            | October 2012         |
| <b>Quarterly Audit Committee meeting</b> (for the first quarter 2012/13) <b>MFMA section 166 &amp; MPPMR 14(3)(a)</b> and for evaluation of Section 55 (56/57) Managers' first quarter assessments <b>MPPMR 14(3)(b)</b> | Internal Audit                                 | Internal auditing of performance measurements    | October 2012         |
| Quarterly SDBIP performance progress report for second quarter of 2012/13 <b>MPPMR 14</b> to Internal Audit, Audit Committee, Senior Management, MAYCO, Section 80 Committees and Council                                | IDP/Budget Office                              | Approved SDBIP performance reports               | January 2013         |
| Section 55 (56/57) Managers' second quarter assessments for 2012/13                                                                                                                                                      | MM                                             | Service delivery performance assessed            | January 2013         |
| <b>Quarterly Audit Committee meeting</b> (for the second                                                                                                                                                                 | Internal Audit                                 | Internal auditing of performance                 | January 2013         |

|                                                                                                                                                                                                                     |                       |                                                                            |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------|--------------------|
| quarter 2012/13) <b>MFMA section 166 &amp; MPPMR 14(3)(a)</b> and for evaluation of Section 55 (56/57) Managers' second quarter assessments <b>MPPMR 14(3)(b)</b>                                                   |                       | measurements                                                               |                    |
| Mid-year budget and performance assessment <b>MFMA Section 72 (1)(2)(3)</b>                                                                                                                                         | IDP/Budget Office     | Mid-term finance and service delivery performance report compliant to MFMA | By 25 January 2013 |
| Executive Mayor tables the annual report 2011/12 <b>MFMA Section 127 (2)</b>                                                                                                                                        | Executive Mayor       | Annual report 2011/12 tabled                                               | By 31 January 2013 |
| Executive Mayor tables adjustment budget for approval by Council <b>MFMA Section 28</b>                                                                                                                             | Executive Mayor       | Approved adjustment budget                                                 | January 2013       |
| Publicise both the annual report (invite public inputs into the report - <b>MFMA 127 &amp; MSA section 21A</b> ) and the adjustment budget on the municipal website and in local newspapers                         | MM                    | Annual report and adjustment publicised                                    | 4 February 2013    |
| Council to consider and adopt oversight report by 31 March <b>MFMA Section 129(1)</b>                                                                                                                               | Office of the Speaker | Oversight report approved                                                  | March 2013         |
| Publicise Oversight Report within seven days of adoption <b>MFMA Section 129(3) &amp; MSA Section 21A</b>                                                                                                           | MM                    |                                                                            | April 2013         |
| Within seven days of adoption of Oversight Report submit to Provincial Legislature/MEC for Local Government                                                                                                         | MM                    |                                                                            | April 2013         |
| Quarterly SDBIP performance progress report for third quarter of 2012/13 <b>MPPMR 14</b> to Internal Audit, Audit Committee, Senior Management, MAYCO, Section 80 Committees and Council                            | IDP/Budget Office     | Approved SDBIP performance reports                                         | April 2013         |
| Section 55 (56/57) Managers' third quarter assessments for 2012/13                                                                                                                                                  | MM                    | Service delivery performance assessed                                      | April 2013         |
| Quarterly Audit Committee meeting (for the third quarter 2012/13) <b>MFMA section 166 &amp; MPPMR 14(3)(a)</b> and for evaluation of Section 55 (56/57) Managers' third quarter assessments <b>MPPMR 14(3)(b)</b>   | Internal Audit        | Internal auditing of performance measurements                              | April 2013         |
| Quarterly SDBIP performance progress report for fourth quarter of 2012/13 <b>MPPMR 14</b> to Internal Audit, Audit Committee, Senior Management, MAYCO, Section 80 Committees and Council                           | IDP/Budget Office     | Approved SDBIP performance reports                                         | July 2013          |
| Section 55 (56/57) Managers' fourth quarter assessments for 2012/13                                                                                                                                                 | MM                    | Service delivery performance assessed                                      | July 2013          |
| Quarterly Audit Committee meeting (for the fourth quarter 2012/13) <b>MFMA section 166 &amp; MPPMR 14(3)(a)</b> and for evaluation of Section 55 (56/57) Managers' fourth quarter assessments <b>MPPMR 14(3)(b)</b> | Internal Audit        | Internal auditing of performance measurements                              | April 2013         |

### **2.2.3 – Tabling of the draft budget**

The initial draft budget must be tabled by the mayor before council for review by 30 March.

Once tabled at council, the municipal manager must make public the appropriate budget documentation and submit it to both the national and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

The municipal budget was tabled before Council on 29 March 2012.

### **2.2.4 – Consultation with the community and key stakeholders**

When the draft budget is tabled, council must consider the views of the local community, the national and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The proposed public participation meetings will be held from 16 April – 08 May 2012, within the wards of George. The overall objective of this roadshow is to ensure an authentic and inclusive public participation process for the IDP and budget.

A steering committee will plan the roadshows. This committee will be represented by politicians and officials from all Directorates. It will provide guidance and feedback on areas that requires improvement as the IDP and Budget Roadshows unfolds.

A report will be compiled on the outcomes of these roadshows and will be made available on request.

### **Table 19 – Proposed IDP and Budget Roadshow Programme 2012/13**

## IDP &amp; BUDGET ROADSHOW 2012\_SCHEDULE

| WYK / WARD                                                                                               | RAADSLID /<br>COUNCILLOR | DATUM /<br>DATE | PLEK/VENUE                   | TYD /<br>TIME |
|----------------------------------------------------------------------------------------------------------|--------------------------|-----------------|------------------------------|---------------|
| 5. Le Vallia, Bergsig, Loerie Park, Bo-Dorp, Bergsig, Molenrivier, Rif                                   | Lionel Esau              | 16 April 2012   | Van Kerwel School Hall       | 19h00         |
| 2. Denneoord, Fernridge, Bo-dorp, Camphersdrift                                                          | Chris Neetling           | 16 April 2012   | Main Hall, York Street       | 19h00         |
| 18- Loeriepark, Tweerivieren, George Park                                                                | GertNiehaus              |                 |                              |               |
| 19-George Sentraal, George South, Dormehlsdrift King George                                              | Iona Kritzinger          |                 |                              |               |
| 4. Wilderness, KleinKranz, Touwsranten, Hoekwil, Glenwood                                                | Leon van Wyk             | 17 April 2012   | Touwsranten Community Hall   | 19h00         |
| 1. Blanco                                                                                                | Bevin Fortuin            | 17 April 2012   | Blanco Community Hall        | 19h00         |
| 8. Parkdene, Portion of Ballotsview                                                                      | Charles Standers         | 18 April 2012   | Parkdene Community Hall      | 19h00         |
| 7. Maraikamp, Portion of Ballotsview                                                                     | ZolileNtozini            | 18 April 2012   | Huis Outeniqua               | 18h00         |
| 6. Rosemoor, Protea Park, Urbansville, Portion of Le Vallia,                                             | Jacoba Muller            | 19 April 2012   | Rosemoore Community Hall     | 19h00         |
| 9. Thembaletu                                                                                            | TobekaTeyisi             | 19 April 2012   | Tyholora Primary School      | 18h00         |
| 10. Thembaletu                                                                                           | MzwandileGingcana        |                 |                              |               |
| 21-Thembaletu                                                                                            | SuliweThanda             | 23 April 2012   | Tyholora Primary School      | 18h00         |
| 11. Thembaletu                                                                                           | NontsikeleloKamte        | 23 April 2012   | Thembaletu Community Hall    | 18h00         |
| 13. Thembaletu                                                                                           | BusisiweSalmani          | 24 April 2012   | Multi-Purpose Centre         | 18h00         |
| 12. Thembaletu                                                                                           | NomawethuSixolo          | 24 April 2012   | All Brick Hall               | 18h00         |
| 14- Erf 325, Pacaltsdorp, Andersonville, Seaview, Europe, Noordstraat                                    | Cynthia Papah            | 25 April 2012   | Pacaltsdorp Community Hall   | 19h00         |
| 20- Borchers                                                                                             | Mercia Draghoender       | 25 April 2012   | YFC centre (Kids stop)       | 19h00         |
| 15. Thembaletu                                                                                           | FaneleGuga               | 02 May 2012     | Thembaletu High School       | 18h00         |
| 22- LandelikeGebiede, Diepkloof, Sinksabrug, Waboomskraal, Harold, Geelhoutboom, Bo-dorp, Camphersdrift  | Philip de Swardt         | 02 May 2012     | Blanco Community Hall        | 19h00         |
| 23- Delville Park, Groenewyde Park, HeroldsBay, Hoogekraal, Buffelsfontein, Oubaal, Bos& Dal, Rooirivier | Gideon Stander           | 03 May 2012     | Main Hall, York Street       | 19h00         |
| 3. Heather Park, Heatherlands                                                                            | Erasmus Devilliers       |                 |                              |               |
| 24- Haarlem, Avontuur, Ongelegen, Nol                                                                    | Alex Wildeman            | 03 May 2012     | Haarlem Community Hall       | 19h00         |
| 25- Uniondale, Esseljag, Rooirivier                                                                      | MarchelleKleynhans       | 07 May 2012     | Uniondale Community Hall     | 19h00         |
| 17- Conville, Rosemoor, Convent Gardens, Mary's View                                                     | Daniël Maritz            | 07 May 2012     | Conville Community Hall      | 19h00         |
| 7. Lawaakamp                                                                                             | ZolileNtozini            | 8 May 2012      | Lawaakamp Community Hall     | 18h00         |
| 16- New Dawn Park                                                                                        | Henry Jones              | 8 May 2012      | New Dawn Park Primary School | 19h00         |

### **2.3 – Service Delivery and Budget Implementation Plan (SDBIP)**

The municipal manager must within fourteen days after the approval of the annual budget submit to the mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

The budget estimates can be revised through an adjustment budget. In terms of the Budget Regulations under Government Gazette No 32141, the following is stipulated for adjustments budget.

(2) The supporting documentation to accompany an adjustments budget in terms of section 28(5) of the Act must contain an explanation of how the adjustments budget is funded.

**Timeframes for tabling of adjustments budgets**

23. (1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

(2) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case subregulation (3) applies.

(3)<sup>13</sup> If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

(4) An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred and within the time period set in section 29(3) of the Act.

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<sup>13</sup> This subregulation is intended to ensure that additional revenues allocated to municipalities by national or provincial governments through an adjustments budget are approved for spending as soon as possible so as to minimise the possibility of underspending. In-year changes in agency payments and other revenues mentioned in subregulation 10(2)(c) may only be brought into a municipality's budget in an adjustments budget contemplated in subregulation 23(1).

(5) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.

(6)<sup>14</sup> An adjustments budget contemplated in section 28(2)(g) of the Act may only authorise unauthorised expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –

- (a) dealt with as part of the adjustments budget contemplated in subregulation (1); and
- (b) a special adjustments budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.<sup>15</sup>

#### **Submission of tabled adjustments budgets**

24. (1) The municipal manager must comply with section 28(7) of the Act, read together with section 22(b)(i) of the Act, within ten working days after the mayor has tabled an adjustments budget in the municipal council.

(2) When submitting the tabled adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28(7) of the Act, read together with section 22(b)(i) of the Act, the municipal manager must submit in both printed and electronic form –

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<sup>14</sup> Section 28(2)(g) of the Act requires a prescribed framework to regulate what other expenditure may be included in adjustments budgets that is not already covered by section 28(2)(a) to (f) of the Act. This subregulation is intended to provide such a framework.

<sup>15</sup> Any unauthorised expenditure not authorised by council must in terms of section 32(2)(a)(i) of the Act be recovered from the person liable for the expenditure unless it is certified as irrecoverable in terms of section 32(2)(a)(ii) of the Act.

## **2.4 – Alignment of Annual Budget with IDP**

Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities.

The IDP strategic objectives and goals are set out in the IDP document.

The 2012/13 MTREF has therefore been directly informed by the IDP and the following tables provide a reconciliation between the IDP strategic objectives and goals.

**Table 20 – SA4: Recociliation between IDP strategic objectives and budgeted operating revenue**

| Strategic Objective                                                  | Goal                                                   | Goal Code | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                  |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|--------------------------------------------------------|-----------|-----------------|-----------------|-----------------|----------------------|------------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                      |                                                        |           | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget  | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                                    |                                                        |           |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| Sanitation                                                           | Basic Service Delivery And Infrastructure Investment   | 1         | 53,853          | 43,540          | 56,556          | 86,431               | 91,236           | 91,236             | 103,452                                             | 96,309                 | 102,314                |
| Water Services                                                       | Basic Service Delivery And Infrastructure Investment   | 1         | 85,269          | 140,873         | 111,369         | 130,772              | 114,281          | 114,281            | 120,577                                             | 119,393                | 126,668                |
| Roads, Streets, Storm Water Drainage And Side Walks                  | Basic Service Delivery And Infrastructure Investment   | 1         | 52,314          | 15,956          | 9,612           | 11,631               | 18,269           | 18,269             | 17,636                                              | 23,339                 | 3,411                  |
| Electricity                                                          | Basic Service Delivery And Infrastructure Investment   | 1         | 216,965         | 276,277         | 323,180         | 412,953              | 391,628          | 391,628            | 429,693                                             | 454,885                | 491,413                |
| Street Lighting                                                      | Basic Service Delivery And Infrastructure Investment   | 1         | 5,219           | 78              | 416             | 300                  | 300              | 300                | 561                                                 | 622                    | 691                    |
| Housing                                                              | Basic Service Delivery And Infrastructure Investment   | 1         | 29,530          | 12,528          | 73,351          | 50,120               | 79,330           | 79,330             | 46,476                                              | 39,282                 | 41,235                 |
| Property Development                                                 | Basic Service Delivery And Infrastructure Investment   | 1         | 9,657           | 17,556          | 11,719          | 3,453                | 4,160            | 4,160              | 4,132                                               | 4,380                  | 4,643                  |
| Public Safety And Law Enforcement                                    | Basic Service Delivery And Infrastructure Investment   | 1         | 11,354          | 3,769           | 12,763          | 13,052               | 20,302           | 20,302             | 18,900                                              | 19,946                 | 21,053                 |
| Road Transport And Safety                                            | Basic Service Delivery And Infrastructure Investment   | 1         | 7,472           | 7,852           | 7,418           | 8,896                | 17,896           | 17,896             | 18,144                                              | 32,583                 | 29,746                 |
| Environmental Health                                                 | Basic Service Delivery And Infrastructure Investment   | 1         | –               | 1               | 1               | 1                    | 1                | 1                  | 1                                                   | 1                      | 1                      |
| Public Amenities                                                     | Basic Service Delivery And Infrastructure Investment   | 1         | 2,880           | 2,804           | 5,553           | 3,114                | 6,261            | 6,261              | 3,546                                               | 3,627                  | 3,714                  |
| Waste Management                                                     | Basic Service Delivery And Infrastructure Investment   | 1         | 34,336          | 27,177          | 31,335          | 49,965               | 51,478           | 51,478             | 61,481                                              | 57,263                 | 60,669                 |
| Sport Facilities And Development                                     | Basic Service Delivery And Infrastructure Investment   | 1         | 16              | 3,036           | 33              | 2                    | 2                | 2                  | 2,025                                               | 10,025                 | 10,025                 |
| Local Economic Development                                           | Local Economic Development                             | 2         | 13              | 334             | 1               | –                    | 240              | 240                | –                                                   | –                      | –                      |
| Tourism                                                              | Local Economic Development                             | 2         | –               | –               | 14              | 15                   | 15               | 15                 | 16                                                  | 17                     | 18                     |
| Financial Viability And Management                                   | Municipal Financial Viability And Management           | 3         | 65,368          | 56,505          | 74,088          | 72,573               | 79,053           | 79,053             | 14,881                                              | 15,930                 | 16,954                 |
| Revenue Enhancement                                                  | Municipal Financial Viability And Management           | 3         | 55              | 172             | 53              | 53                   | 253              | 253                | 56                                                  | 60                     | 63                     |
| Credit Control                                                       | Municipal Financial Viability And Management           | 3         | 11              | 9               | 9               | –                    | –                | –                  | –                                                   | –                      | –                      |
| Valuations                                                           | Municipal Financial Viability And Management           | 3         | 102,215         | 106,147         | 120,295         | 141,102              | 134,102          | 134,102            | 145,037                                             | 150,280                | 159,288                |
| Budget Formulation And Control                                       | Municipal Financial Viability And Management           | 3         | 535             | 607             | 721             | 745                  | 1,637            | 1,637              | 945                                                 | 945                    | 1,020                  |
| Training And Capacity Building                                       | Municipal Transformation And Institutional Development | 4         | –               | –               | –               | –                    | –                | –                  | –                                                   | –                      | –                      |
| Occupational Health And Safety                                       | Municipal Transformation And Institutional Development | 4         | –               | –               | –               | –                    | –                | –                  | –                                                   | –                      | –                      |
| People Management And Empowerment                                    | Municipal Transformation And Institutional Development | 4         | 206             | 691             | 524             | 520                  | 520              | 520                | 500                                                 | 500                    | 500                    |
| Administrative Support                                               | Good Governance And Public Participation               | 5         | 1,378           | 1,623           | 1,202           | 535                  | 631              | 631                | 1,718                                               | 1,846                  | 1,976                  |
| Library Services                                                     | Good Governance And Public Participation               | 5         | 943             | 968             | 1,173           | 2,053                | 2,273            | 2,273              | 2,094                                               | 760                    | 792                    |
| Intergrated Development Planning                                     | Good Governance And Public Participation               | 5         | 200             | 110             | 63              | 200                  | 472              | 472                | 400                                                 | 300                    | 350                    |
| Hiv/Aids                                                             | Good Governance And Public Participation               | 5         | 148             | 3               | 4               | –                    | –                | –                  | –                                                   | –                      | –                      |
| Targeted Groups                                                      | Good Governance And Public Participation               | 5         | –               | 3               | 74              | –                    | 71               | 71                 | 889                                                 | 939                    | 992                    |
| Internal Audit & Risk Management                                     | Good Governance And Public Participation               | 5         | 2               | 1               | 1               | –                    | 35               | 35                 | –                                                   | –                      | –                      |
| <b>Allocations to other priorities</b>                               |                                                        |           |                 |                 |                 |                      |                  |                    |                                                     |                        |                        |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |                                                        |           | <b>679,939</b>  | <b>718,619</b>  | <b>841,529</b>  | <b>988,486</b>       | <b>1,014,446</b> | <b>1,014,446</b>   | <b>993,160</b>                                      | <b>1,033,232</b>       | <b>1,077,536</b>       |

**Table 21 – SA5: Recociliation between IDP strategic objectives and budgeted operating expenditure**

| Strategic Objective                                 | Goal                                                   | Goal Code | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------------|--------------------------------------------------------|-----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                     |                                                        |           | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| R thousand                                          |                                                        |           |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sanitation                                          | Basic Service Delivery And Infrastructure Investment   | 1         | 45,692          | 48,511          | 53,284          | 52,209               | 52,990          | 52,990             | 56,997                                              | 57,927                 | 61,274                 |
| Water Services                                      | Basic Service Delivery And Infrastructure Investment   | 1         | 64,076          | 69,509          | 77,507          | 78,541               | 82,102          | 82,102             | 86,093                                              | 87,866                 | 91,785                 |
| Roads, Streets, Storm Water Drainage And Side Walks | Basic Service Delivery And Infrastructure Investment   | 1         | 72,021          | 92,545          | 92,620          | 90,619               | 89,145          | 89,145             | 107,984                                             | 114,270                | 87,611                 |
| Electricity                                         | Basic Service Delivery And Infrastructure Investment   | 1         | 174,425         | 196,864         | 268,129         | 329,885              | 325,800         | 325,800            | 364,886                                             | 402,704                | 448,238                |
| Street Lighting                                     | Basic Service Delivery And Infrastructure Investment   | 1         | 6,362           | 677             | 953             | 1,100                | 1,100           | 1,100              | 1,155                                               | 1,213                  | 1,273                  |
| Housing                                             | Basic Service Delivery And Infrastructure Investment   | 1         | 36,555          | 20,386          | 80,304          | 65,846               | 89,315          | 89,315             | 61,174                                              | 54,132                 | 56,235                 |
| Property Development                                | Basic Service Delivery And Infrastructure Investment   | 1         | 22,685          | 37,639          | 21,899          | 17,879               | 17,609          | 17,609             | 17,880                                              | 18,127                 | 18,629                 |
| Public Safety And Law Enforcement                   | Basic Service Delivery And Infrastructure Investment   | 1         | 40,534          | 36,016          | 41,671          | 40,665               | 43,934          | 43,934             | 45,742                                              | 47,250                 | 48,977                 |
| Road Transport And Safety                           | Basic Service Delivery And Infrastructure Investment   | 1         | 5,495           | 4,499           | 4,353           | 6,080                | 15,115          | 15,115             | 15,147                                              | 29,382                 | 26,325                 |
| Environmental Health                                | Basic Service Delivery And Infrastructure Investment   | 1         | 771             | 760             | 782             | 839                  | 832             | 832                | 897                                                 | 931                    | 970                    |
| Public Amenities                                    | Basic Service Delivery And Infrastructure Investment   | 1         | 21,055          | 27,303          | 25,894          | 25,113               | 24,924          | 24,924             | 26,309                                              | 26,761                 | 27,431                 |
| Waste Management                                    | Basic Service Delivery And Infrastructure Investment   | 1         | 31,181          | 32,034          | 35,731          | 35,651               | 38,545          | 38,545             | 41,336                                              | 40,370                 | 41,943                 |
| Sport Facilities And Development                    | Basic Service Delivery And Infrastructure Investment   | 1         | 6,104           | 6,098           | 7,703           | 7,759                | 8,068           | 8,068              | 8,108                                               | 8,100                  | 7,972                  |
| Local Economic Development                          | Local Economic Development                             | 2         | 3,474           | 1,053           | 1,451           | 2,115                | 1,941           | 1,941              | 1,324                                               | 1,446                  | 1,491                  |
| Tourism                                             | Local Economic Development                             | 2         | 1,224           | 1,410           | 1,808           | 2,101                | 2,003           | 2,003              | 2,086                                               | 2,195                  | 2,311                  |
| Financial Viability And Management                  | Municipal Financial Viability And Management           | 3         | 50,935          | 25,748          | 21,402          | 93,681               | 84,751          | 84,751             | 20,399                                              | 20,635                 | 21,313                 |
| Revenue Enhancement                                 | Municipal Financial Viability And Management           | 3         | 9,402           | 9,316           | 9,892           | 12,354               | 12,543          | 12,543             | 14,405                                              | 15,018                 | 15,668                 |
| Credit Control                                      | Municipal Financial Viability And Management           | 3         | 1,399           | 1,738           | 3,464           | 3,618                | 3,601           | 3,601              | 3,829                                               | 4,046                  | 4,276                  |
| Valuations                                          | Municipal Financial Viability And Management           | 3         | 2,420           | 2,446           | 2,272           | 4,877                | 5,954           | 5,954              | 4,675                                               | 2,706                  | 3,739                  |
| Budget Formulation And Control                      | Municipal Financial Viability And Management           | 3         | 2,495           | 2,483           | 2,798           | 2,747                | 3,627           | 3,627              | 3,205                                               | 3,354                  | 3,588                  |
| Training And Capacity Building                      | Municipal Transformation And Institutional Development | 4         | 1,902           | 1,007           | 1,138           | 1,210                | 538             | 538                | 800                                                 | 800                    | 800                    |
| Occupational Health And Safety                      | Municipal Transformation And Institutional Development | 4         | 229             | 182             | 255             | 615                  | 475             | 475                | 510                                                 | 535                    | 549                    |
| People Management And Empowerment                   | Municipal Transformation And Institutional Development | 4         | (1,743)         | 7,564           | 8,692           | 10,652               | 9,751           | 9,751              | 10,273                                              | 10,757                 | 11,268                 |
| Administrative Support                              | Good Governance And Public Participation               | 5         | 45,500          | 72,443          | 69,629          | 59,119               | 57,802          | 57,802             | 61,022                                              | 63,500                 | 66,247                 |
| Library Services                                    | Good Governance And Public Participation               | 5         | 6,218           | 6,063           | 6,272           | 7,742                | 8,056           | 8,056              | 8,156                                               | 8,240                  | 8,647                  |
| Intergrated Development Planning                    | Good Governance And Public Participation               | 5         | 1,121           | 895             | 926             | 1,170                | 1,489           | 1,489              | 1,403                                               | 1,355                  | 1,460                  |
| Hiv/Aids                                            | Good Governance And Public Participation               | 5         | 751             | 761             | 755             | 777                  | 606             | 606                | 624                                                 | 640                    | 657                    |
| Targeted Groups                                     | Good Governance And Public Participation               | 5         | 4,983           | 4,289           | 4,318           | 5,031                | 4,946           | 4,946              | 5,781                                               | 5,901                  | 6,093                  |
| Internal Audit & Risk Management                    | Good Governance And Public Participation               | 5         | 2               | 4,890           | 5,944           | 5,200                | 6,530           | 6,530              | 7,151                                               | 6,544                  | 6,558                  |
| Allocations to other priorities                     |                                                        |           |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Total Expenditure                                   |                                                        |           | 657,268         | 715,130         | 851,845         | 965,196              | 994,091         | 994,091            | 979,351                                             | 1,036,704              | 1,073,328              |

**Table 22 – SA6: Recociliation between IDP strategic objectives and budgeted capital expenditure**

| Strategic Objective                                 | Goal                                                 | Goal Code | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------------|------------------------------------------------------|-----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                     |                                                      |           | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| R thousand                                          |                                                      |           |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Sanitation                                          | Basic Service Delivery And Infrastructure Investment | A         | 40,359          | 21,480          | 8,974           | 36,163               | 30,312          | 30,312             | 32,825                                              | 80,751                 | 71,517                 |
| Water Services                                      | Basic Service Delivery And Infrastructure Investment | B         | 57,775          | 121,994         | 48,494          | 40,816               | 28,457          | 28,457             | 21,064                                              | 36,998                 | 40,135                 |
| Roads, Streets, Storm Water Drainage And Side Walks | Basic Service Delivery And Infrastructure Investment | C         | 109,105         | 33,741          | 13,896          | 15,500               | 23,209          | 23,209             | 21,681                                              | 24,410                 | 16,500                 |
| Electricity                                         | Basic Service Delivery And Infrastructure Investment | D         | 39,587          | 46,800          | 50,497          | 58,669               | 37,859          | 37,859             | 25,089                                              | 45,295                 | 43,210                 |
| Street Lighting                                     | Basic Service Delivery And Infrastructure Investment | E         | 2,453           | 2,037           | 5,008           | 450                  | 352             | 352                | 1,260                                               | –                      | –                      |
| Housing                                             | Basic Service Delivery And Infrastructure Investment | F         | 5,735           | 1,530           | 4,716           | 2,160                | 1,183           | 1,183              | 24,085                                              | 24,120                 | 35,110                 |
| Property Development                                | Basic Service Delivery And Infrastructure Investment | G         | 561,528         | 516             | 1,818           | 460                  | 130             | 130                | 708                                                 | 738                    | 140                    |
| Public Safety And Law Enforcement                   | Basic Service Delivery And Infrastructure Investment | H         | 5,556           | 1,252           | 193             | 80                   | 4,010           | 4,010              | 3,249                                               | 447                    | –                      |
| Road Transport And Safety                           | Basic Service Delivery And Infrastructure Investment | I         | 189             | –               | –               | 900                  | –               | –                  | –                                                   | –                      | –                      |
| Public Amenities                                    | Basic Service Delivery And Infrastructure Investment | J         | 1,462           | 3               | 512             | 2,784                | 1,777           | 1,777              | 256                                                 | 595                    | 448                    |
| Waste Management                                    | Basic Service Delivery And Infrastructure Investment | K         | 4,260           | –               | 492             | 1,000                | –               | –                  | 8,500                                               | 5,800                  | 5,650                  |
| Sport Facilities And Development                    | Basic Service Delivery And Infrastructure Investment | L         | 5,666           | 12,842          | 1,019           | 3,600                | 5,479           | 5,479              | 2,008                                               | 655                    | 830                    |
| Local Economic Development                          | Local Economic Development                           | M         | 354             | 332             | –               | –                    | –               | –                  | –                                                   | 100                    | –                      |
| Financial Viability And Management                  | Municipal Financial Viability And Management         | N         | 195             | –               | 720             | 280                  | 470             | 470                | 230                                                 | 80                     | 80                     |
| Administrative Support                              | Good Governance And Public Participation             | O         | 2,032           | 540             | 202             | 50                   | 89              | 89                 | 290                                                 | 635                    | 815                    |
| Library Services                                    | Good Governance And Public Participation             | P         | 286             | –               | 93              | –                    | –               | –                  | 505                                                 | 600                    | 8,000                  |
| Targeted Groups                                     | Good Governance And Public Participation             | Q         | 403             | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Allocations to other priorities                     |                                                      |           |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Total Capital Expenditure                           |                                                      |           | 836,945         | 243,067         | 136,635         | 162,912              | 133,325         | 133,325            | 141,749                                             | 221,224                | 222,435                |

## **2.5 – Overview of budget related policies**

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Section 17 (3) (e) of the Municipal Finance Management Act, (Act No 56 of 2003) prescribes that the Municipality must review the budget related policies annually. Herewith follows suggested changes to Council's budget related policies.

The Budget Committee has had a workshop where the indigent policy, virement policy and cash management and investment policy were considered. The Budget Committee has indicated that further work needs to be done on specifically the indigent policy and that this policy will be finalized in due course.

## 2.6 Other Supporting documents

### 2.6.1 Grants and subsidies

**Table 23 – SA18: Transfers and grants receipt**

| Description                                      | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|--------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                  | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>RECEIPTS:</b>                                 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Operating Transfers and Grants</b>            |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                      | <b>38,198</b>   | <b>46,408</b>   | <b>64,090</b>   | <b>75,619</b>        | <b>77,823</b>   | <b>77,823</b>      | <b>87,156</b>                                       | <b>92,146</b>          | <b>99,166</b>          |
| Local Government Equitable Share                 | 37,048          | 43,527          | 59,340          | 72,201               | 72,201          | 72,201             | 80,370                                              | 86,196                 | 92,766                 |
| Finance Management                               | 750             | 750             | 1,000           | 1,250                | 1,250           | 1,250              | 1,250                                               | 1,250                  | 1,450                  |
| Municipal Systems Improvement                    | 400             | 400             | 750             | 790                  | 790             | 790                | 800                                                 | 900                    | 950                    |
| Expanded Public Works Programme                  | –               | 117             | –               | 1,378                | 1,378           | 1,378              | 1,736                                               | –                      | –                      |
| Electricity Demand Side Grant                    | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Municipal Drought Relief Grant                   | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Flood Damage                                     | –               | 1,615           | 3,000           | –                    | 534             | 534                | –                                                   | –                      | –                      |
| Infrastructure Skills Development                | –               | –               | –               | –                    | –               | –                  | 3,000                                               | 3,800                  | 4,000                  |
| Municipal Infrastructure Grant - PMU             | –               | –               | –               | –                    | 1,670           | 1,670              | –                                                   | –                      | –                      |
| <b>Provincial Government:</b>                    | <b>17,566</b>   | <b>8,185</b>    | <b>68,776</b>   | <b>48,666</b>        | <b>83,418</b>   | <b>83,418</b>      | <b>70,131</b>                                       | <b>82,288</b>          | <b>60,821</b>          |
| Housing                                          | 14,440          | 5,321           | 61,593          | 46,858               | 72,358          | 72,358             | 44,794                                              | 37,774                 | 39,662                 |
| Proclaimed Roads                                 | 788             | 229             | 325             | 182                  | 182             | 182                | 13,415                                              | 20,000                 | –                      |
| Local Government Masterplanning Grant            | 650             | 1,000           | 396             | 396                  | 396             | 396                | 396                                                 | 396                    | 396                    |
| Housing Consumer Education                       | 400             | 200             | –               | –                    | 6               | 6                  | –                                                   | –                      | –                      |
| Community Development Workers Operating Grant    | 400             | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Feasibility study for Bulk Water Study           | 756             | 783             | 1,046           | 1,100                | 1,320           | 1,320              | 1,364                                               | –                      | –                      |
| Library Grant                                    | 72              | 72              | 149             | 130                  | 156             | 156                | 162                                                 | 168                    | 168                    |
| AMP's and Technical Audit Grant                  | 60              | 80              | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Lawaikamp Artificial Soccer Pitch                | –               | 500             | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Spatial Development Framework                    | –               | –               | 120             | –                    | –               | –                  | –                                                   | –                      | –                      |
| Flood Damage - Housing                           | –               | –               | 5,000           | –                    | –               | –                  | –                                                   | –                      | –                      |
| Cleanest Town Competition                        | –               | –               | –               | –                    | 9,000           | 9,000              | 10,000                                              | 23,950                 | 20,595                 |
| Integrated Public Transport Grant                | –               | –               | 147             | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>District Municipality:</b>                    | <b>350</b>      | <b>–</b>        | <b>500</b>      | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Storm Water Master Planning Grant                | 350             | –               | 500             | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Other grant providers:</b>                    | <b>–</b>        | <b>936</b>      | <b>2,509</b>    | <b>2,565</b>         | <b>2,565</b>    | <b>2,565</b>       | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Storm Water Master Planning (DBSA)               | –               | 936             | 197             | –                    | –               | –                  | –                                                   | –                      | –                      |
| DWAF                                             | –               | –               | 1,788           | 2,035                | 2,035           | 2,035              | –                                                   | –                      | –                      |
| LGSETA                                           | –               | –               | 524             | 520                  | 520             | 520                | –                                                   | –                      | –                      |
| African Skills Village                           | –               | –               | –               | 10                   | 10              | 10                 | –                                                   | –                      | –                      |
| <b>Total Operating Transfers and Grants</b>      | <b>56,114</b>   | <b>55,529</b>   | <b>135,875</b>  | <b>126,850</b>       | <b>163,806</b>  | <b>163,806</b>     | <b>157,287</b>                                      | <b>174,434</b>         | <b>159,987</b>         |
| <b>Capital Transfers and Grants</b>              |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                      | <b>41,530</b>   | <b>41,571</b>   | <b>122,337</b>  | <b>55,158</b>        | <b>40,199</b>   | <b>40,199</b>      | <b>55,444</b>                                       | <b>47,961</b>          | <b>51,147</b>          |
| Municipal Infrastructure Grant (MIG)             | 10,356          | 12,399          | 22,174          | 36,309               | 29,828          | 29,828             | 44,044                                              | 46,461                 | 49,147                 |
| Regional Bulk Infrastructure                     | –               | 7,000           | 17,163          | 8,500                | 4,824           | 4,824              | 3,000                                               | –                      | –                      |
| Municipal Drought Relief Grant                   | –               | 15,000          | 75,000          | –                    | –               | –                  | –                                                   | –                      | –                      |
| Municipal Infrastructure Disaster Grant          | 30,958          | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Integrated National Electrification Programme    | 216             | 3,172           | 2,000           | 5,349                | 4,670           | 4,670              | 8,400                                               | 1,500                  | 2,000                  |
| Electricity Demand Side Grant                    | –               | 4,000           | 6,000           | 4,000                | –               | –                  | –                                                   | –                      | –                      |
| Expanded Public Works Programme                  | –               | –               | –               | 1,000                | 877             | 877                | –                                                   | –                      | –                      |
| <b>Provincial Government:</b>                    | <b>29,987</b>   | <b>5,196</b>    | <b>12,899</b>   | <b>2,000</b>         | <b>12,965</b>   | <b>12,965</b>      | <b>1,500</b>                                        | <b>1,500</b>           | <b>1,500</b>           |
| Housing                                          | 19,387          | 2,723           | 2,999           | –                    | 4,211           | 4,211              | –                                                   | –                      | –                      |
| Mobility Strategy                                | 10,600          | 2,474           | 9,900           | 2,000                | 1,754           | 1,754              | 1,500                                               | 1,500                  | 1,500                  |
| George Integrated Public Transport Network       | –               | –               | –               | –                    | 7,000           | 7,000              | –                                                   | –                      | –                      |
| <b>District Municipality:</b>                    | <b>–</b>        | <b>200</b>      | <b>–</b>        | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Electrification - DMA Area                       | –               | 200             | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Other grant providers:</b>                    | <b>–</b>        | <b>–</b>        | <b>–</b>        | <b>–</b>             | <b>3,000</b>    | <b>3,000</b>       | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Storm Water Master Pla                           | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Youth Development against Violence through Sport | –               | –               | –               | –                    | 3,000           | 3,000              | –                                                   | –                      | –                      |
| <b>Total Capital Transfers and Grants</b>        | <b>71,517</b>   | <b>46,967</b>   | <b>135,236</b>  | <b>57,158</b>        | <b>56,164</b>   | <b>56,164</b>      | <b>56,944</b>                                       | <b>49,461</b>          | <b>52,647</b>          |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>  | <b>127,632</b>  | <b>102,497</b>  | <b>271,111</b>  | <b>184,008</b>       | <b>219,970</b>  | <b>219,970</b>     | <b>214,231</b>                                      | <b>223,895</b>         | <b>212,634</b>         |

**Table 24 – SA19: Expenditure on transfers and grants**

| Description                                                 | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                             | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                           |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>EXPENDITURE:</b>                                         |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Operating expenditure of Transfers and Grants</b>        |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                                 | <b>48,854</b>   | <b>47,864</b>   | <b>67,491</b>   | <b>75,619</b>        | <b>75,619</b>   | <b>75,619</b>      | <b>87,156</b>                                       | <b>92,146</b>          | <b>99,166</b>          |
| Local Government Equitable Share                            | 37,048          | 43,527          | 59,340          | 72,201               | 72,201          | 72,201             | 80,370                                              | 86,196                 | 92,766                 |
| Finance Management                                          | 1,083           | 2,291           | 1,516           | 1,250                | 1,250           | 1,250              | 1,250                                               | 1,250                  | 1,450                  |
| Municipal Systems Improvement                               | 446             | 315             | 398             | 790                  | 790             | 790                | 800                                                 | 900                    | 950                    |
| Expanded Public Works Programme                             | –               | 117             | –               | 1,378                | 1,378           | 1,378              | 1,736                                               | –                      | –                      |
| Electricity Demand Side Grant                               | 10,278          | 1,615           | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Municipal Drought Reliief Grant                             | –               | –               | 3,654           | –                    | –               | –                  | –                                                   | –                      | –                      |
| Flood Damage                                                | –               | –               | 2,583           | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Provincial Government:</b>                               | <b>19,581</b>   | <b>9,656</b>    | <b>65,360</b>   | <b>50,266</b>        | <b>84,012</b>   | <b>84,012</b>      | <b>70,131</b>                                       | <b>82,120</b>          | <b>60,653</b>          |
| Housing                                                     | 17,125          | 5,764           | 63,322          | 46,858               | 72,358          | 72,358             | 44,794                                              | 37,774                 | 39,662                 |
| Proclaimed Roads                                            | 788             | 229             | 325             | 182                  | 182             | 182                | 13,415                                              | 20,000                 | –                      |
| Local Government Masterplanning Grant                       | –               | 1,650           | 396             | 396                  | 396             | 396                | 396                                                 | 396                    | 396                    |
| Housing Consumer Education                                  | 419             | 470             | 116             | –                    | 6               | 6                  | –                                                   | –                      | –                      |
| Community Development Workers Operating Grant               | 32              | 130             | 174             | 130                  | 156             | 156                | 162                                                 | –                      | –                      |
| Feasibility study for Bulk Water Study                      | 400             | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Library Grant                                               | 756             | 783             | 938             | 1,100                | 1,320           | 1,320              | 1,364                                               | –                      | –                      |
| AMP's and Technical Audit Grant                             | 60              | 80              | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Lawaikamp Artificial Soccer Pitch                           | –               | 500             | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Spatial Development Framework                               | –               | 50              | 63              | –                    | –               | –                  | –                                                   | –                      | –                      |
| Flood Damage - Housing                                      | –               | –               | –               | 1,600                | 534             | 534                | –                                                   | –                      | –                      |
| Cleanest Town Competition                                   | –               | –               | 25              | –                    | 60              | 60                 | –                                                   | –                      | –                      |
| Integrated Pubic Transport Grant                            | –               | –               | –               | –                    | 9,000           | 9,000              | 10,000                                              | 23,950                 | 20,595                 |
| <b>District Municipality:</b>                               | <b>–</b>        | <b>350</b>      | <b>500</b>      | <b>–</b>             | <b>–</b>        | <b>–</b>           | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Storm Water Master Planning Grant                           | –               | 350             | 500             | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Other grant providers:</b>                               | <b>–</b>        | <b>936</b>      | <b>2,312</b>    | <b>2,565</b>         | <b>2,565</b>    | <b>2,565</b>       | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Storm Water Master Planning (DBSA)                          | –               | 936             | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| African Skills Village                                      | –               | –               | 10              | 10                   | 10              | 10                 | –                                                   | –                      | –                      |
| DWAF                                                        | –               | –               | 1,788           | 2,035                | 2,035           | 2,035              | –                                                   | –                      | –                      |
| LGSETA                                                      | –               | –               | 524             | 520                  | 520             | 520                | –                                                   | –                      | –                      |
| <b>Total operating expenditure of Transfers and Grants:</b> | <b>68,435</b>   | <b>58,806</b>   | <b>135,663</b>  | <b>128,450</b>       | <b>162,196</b>  | <b>162,196</b>     | <b>157,287</b>                                      | <b>174,266</b>         | <b>159,819</b>         |
| <b>Capital expenditure of Transfers and Grants</b>          |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                                 | <b>35,026</b>   | <b>84,510</b>   | <b>62,206</b>   | <b>64,158</b>        | <b>44,440</b>   | <b>44,440</b>      | <b>55,444</b>                                       | <b>47,961</b>          | <b>51,147</b>          |
| Municipal Infrastructure Grant (MIG)                        | 10,369          | 12,399          | 13,371          | 36,309               | 29,828          | 29,828             | 44,044                                              | 46,461                 | 49,147                 |
| Finance Management                                          | –               | –               | 675             | –                    | –               | –                  | –                                                   | –                      | –                      |
| Flood Damage                                                | –               | –               | 1,476           | –                    | –               | –                  | –                                                   | –                      | –                      |
| Regional Bulk Infrastructure                                | –               | 7,000           | 8,000           | 17,500               | 9,065           | 9,065              | 3,000                                               | –                      | –                      |
| Municipal Drought Reliief Grant                             | –               | 54,363          | 32,013          | –                    | –               | –                  | –                                                   | –                      | –                      |
| Municipal Infrastructure Disaster Grant                     | 24,452          | 6,462           | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Integrated National Electrification Programme               | 206             | 3,244           | 1,776           | 5,349                | 4,670           | 4,670              | 8,400                                               | 1,500                  | 2,000                  |
| Electricity Demand Side Grant                               | –               | 1,042           | 4,895           | 4,000                | –               | –                  | –                                                   | –                      | –                      |
| Expanded Public Works Programme                             | –               | –               | –               | 1,000                | 877             | 877                | –                                                   | –                      | –                      |
| <b>Provincial Government:</b>                               | <b>34,390</b>   | <b>3,592</b>    | <b>10,851</b>   | <b>6,000</b>         | <b>19,153</b>   | <b>19,153</b>      | <b>1,500</b>                                        | <b>1,500</b>           | <b>1,500</b>           |
| Housing                                                     | 19,387          | 2,158           | 2,999           | –                    | 4,211           | 4,211              | –                                                   | –                      | –                      |
| Mobility Strategy                                           | 15,002          | 1,102           | 7,824           | 6,000                | 7,942           | 7,942              | –                                                   | –                      | –                      |
| Khulani Woman's Project                                     | –               | 332             | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Library Grant                                               | –               | –               | 28              | –                    | –               | –                  | –                                                   | –                      | –                      |
| George Integrated Public Transport Network                  | –               | –               | –               | –                    | 7,000           | 7,000              | 1,500                                               | 1,500                  | 1,500                  |
| <b>Other grant providers:</b>                               | <b>–</b>        | <b>–</b>        | <b>–</b>        | <b>–</b>             | <b>3,000</b>    | <b>3,000</b>       | <b>–</b>                                            | <b>–</b>               | <b>–</b>               |
| Storm Water Master Pla                                      | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Youth Development against Violence though Sport             | –               | –               | –               | –                    | 3,000           | 3,000              | –                                                   | –                      | –                      |
| <b>Total capital expenditure of Transfers and Grants</b>    | <b>69,416</b>   | <b>88,102</b>   | <b>73,057</b>   | <b>70,158</b>        | <b>66,593</b>   | <b>66,593</b>      | <b>56,944</b>                                       | <b>49,461</b>          | <b>52,647</b>          |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>            | <b>137,852</b>  | <b>146,908</b>  | <b>208,720</b>  | <b>198,608</b>       | <b>228,789</b>  | <b>228,789</b>     | <b>214,231</b>                                      | <b>223,727</b>         | <b>212,466</b>         |

## 2.6.2 Councillors and employee benefits

The total remuneration has increased from R236,7 million to R262,7 million.  
The increase of R26 million can be contributed to:

- Salary increase of 6 % for councillors and employees,
- The incorporation of the District Municipal Area – Uniondale/Haarlem
- Provision for temporary staff members.

**Table 25 – SA22: Summary of councillor and staff benefits**

| Summary of Employee and Councillor remuneration          | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| R thousand                                               | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
|                                                          | A               | B               | C               | D                    | E               | F                  | G                                                   | H                      | I                      |
| <b>Councillors (Political Office Bearers plus Other)</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                 | 5,662           | 6,132           | 6,824           | 6,872                | 8,725           | 8,725              | 10,457                                              | 10,980                 | 11,529                 |
| Pension and UIF Contributions                            | 779             | 714             | 729             | 1,391                | 1,391           | 1,391              | 682                                                 | 716                    | 752                    |
| Medical Aid Contributions                                | 125             | 115             | 84              | 906                  | 106             | 106                | 126                                                 | 132                    | 139                    |
| Motor Vehicle Allowance                                  | 2,180           | 2,323           | 2,538           | 3,092                | 3,092           | 3,092              | 3,486                                               | 3,660                  | 3,843                  |
| Cellphone Allowance                                      | 441             | 474             | 516             | 652                  | 652             | 652                | 721                                                 | 757                    | 795                    |
| Housing Allowances                                       | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other benefits and allowances                            | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Sub Total - Councillors</b>                           | <b>9,188</b>    | <b>9,758</b>    | <b>10,691</b>   | <b>12,913</b>        | <b>13,966</b>   | <b>13,966</b>      | <b>15,472</b>                                       | <b>16,245</b>          | <b>17,057</b>          |
| <b>% increase</b>                                        |                 | <b>6.2%</b>     | <b>9.6%</b>     | <b>20.8%</b>         | <b>8.2%</b>     | <b>-</b>           | <b>10.8%</b>                                        | <b>5.0%</b>            | <b>5.0%</b>            |
| <b>Senior Managers of the Municipality</b>               |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                 | 7,390           | 6,230           | 5,534           | 7,362                | 7,402           | 7,402              | 7,700                                               | 7,252                  | 7,615                  |
| Pension and UIF Contributions                            | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Medical Aid Contributions                                | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Overtime                                                 | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Performance Bonus                                        | 745             | 624             | (14)            | 1,040                | 916             | 916                | 1,155                                               | 1,067                  | 1,120                  |
| Motor Vehicle Allowance                                  | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Cellphone Allowance                                      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Housing Allowances                                       | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other benefits and allowances                            | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Payments in lieu of leave                                | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Long service awards                                      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Post-retirement benefit obligations                      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Sub Total - Senior Managers of Municipality</b>       | <b>8,135</b>    | <b>6,854</b>    | <b>5,519</b>    | <b>8,402</b>         | <b>8,318</b>    | <b>8,318</b>       | <b>8,855</b>                                        | <b>8,319</b>           | <b>8,735</b>           |
| <b>% increase</b>                                        |                 | <b>(15.7%)</b>  | <b>(19.5%)</b>  | <b>52.2%</b>         | <b>(1.0%)</b>   | <b>-</b>           | <b>6.5%</b>                                         | <b>(6.1%)</b>          | <b>5.0%</b>            |
| <b>Other Municipal Staff</b>                             |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Basic Salaries and Wages                                 | 99,854          | 113,692         | 123,347         | 144,595              | 143,841         | 143,841            | 158,179                                             | 166,912                | 176,879                |
| Pension and UIF Contributions                            | 17,684          | 19,444          | 21,619          | 24,946               | 24,946          | 24,946             | 28,202                                              | 29,878                 | 31,656                 |
| Medical Aid Contributions                                | 6,364           | 7,274           | 8,655           | 13,022               | 13,022          | 13,022             | 15,259                                              | 16,130                 | 17,041                 |
| Overtime                                                 | 13,212          | 11,425          | 13,775          | 8,578                | 12,596          | 12,596             | 13,827                                              | 14,551                 | 15,327                 |
| Performance Bonus                                        | 155             | 319             | 134             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Motor Vehicle Allowance                                  | 7,095           | 6,992           | 7,799           | 8,164                | 8,194           | 8,194              | 8,674                                               | 9,189                  | 9,615                  |
| Cellphone Allowance                                      | 460             | 518             | 510             | 433                  | 433             | 433                | 475                                                 | 498                    | 522                    |
| Housing Allowances                                       | 1,641           | 1,426           | 1,271           | 1,125                | 1,125           | 1,125              | 1,250                                               | 1,325                  | 1,405                  |
| Other benefits and allowances                            | 9,128           | 17,108          | 16,928          | 10,514               | 12,691          | 12,691             | 15,263                                              | 16,095                 | 17,037                 |
| Payments in lieu of leave                                | 7,410           | 13,655          | 10,048          | 10,481               | 10,447          | 10,447             | 11,614                                              | 12,313                 | 13,053                 |
| Long service awards                                      | 1,029           | 810             | 919             | 1,060                | 1,060           | 1,060              | 1,124                                               | 1,192                  | 1,264                  |
| Post-retirement benefit obligations                      | 9,553           | 20,222          | 17,731          | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Sub Total - Other Municipal Staff</b>                 | <b>173,584</b>  | <b>212,886</b>  | <b>222,737</b>  | <b>222,919</b>       | <b>228,355</b>  | <b>228,355</b>     | <b>253,867</b>                                      | <b>268,084</b>         | <b>283,800</b>         |
| <b>% increase</b>                                        |                 | <b>22.6%</b>    | <b>4.6%</b>     | <b>0.1%</b>          | <b>2.4%</b>     | <b>-</b>           | <b>11.2%</b>                                        | <b>5.6%</b>            | <b>5.9%</b>            |
| <b>Total Parent Municipality</b>                         | <b>190,906</b>  | <b>229,498</b>  | <b>238,948</b>  | <b>244,234</b>       | <b>250,639</b>  | <b>250,639</b>     | <b>278,194</b>                                      | <b>292,648</b>         | <b>309,593</b>         |
|                                                          |                 | <b>20.2%</b>    | <b>4.1%</b>     | <b>2.2%</b>          | <b>2.6%</b>     | <b>-</b>           | <b>11.0%</b>                                        | <b>5.2%</b>            | <b>5.8%</b>            |
| <b>TOTAL MANAGERS AND STAFF</b>                          | <b>181,719</b>  | <b>219,740</b>  | <b>228,257</b>  | <b>231,321</b>       | <b>236,673</b>  | <b>236,673</b>     | <b>262,722</b>                                      | <b>276,403</b>         | <b>292,536</b>         |

**Table 26 – SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers)**

| Disclosure of Salaries, Allowances & Benefits 1.                     | No.       | Salary            | Contributions  | Allowances       | Performance Bonuses | In-kind benefits | Total Package     |
|----------------------------------------------------------------------|-----------|-------------------|----------------|------------------|---------------------|------------------|-------------------|
| Rand per annum                                                       |           |                   | 1.             |                  |                     |                  | 2.                |
| <b>Councillors</b>                                                   |           |                   |                |                  |                     |                  |                   |
| Speaker                                                              | 1         | 400,270           |                | 153,204          |                     |                  | 553,474           |
| Chief Whip                                                           | 1         | 375,250           |                | 144,865          |                     |                  | 520,115           |
| Executive Mayor                                                      | 1         | 500,330           |                | 206,417          |                     |                  | 706,747           |
| Deputy Executive Mayor                                               | 1         | 400,270           |                | 153,204          |                     |                  | 553,474           |
| Executive Committee                                                  | 9         | 3,377,240         |                | 1,303,786        |                     |                  | 4,681,026         |
| Total for all other councillors                                      | 36        | 5,403,600         | 807,900        | 2,245,273        |                     |                  | 8,456,773         |
| <b>Total Councillors</b>                                             | <b>49</b> | <b>10,456,960</b> | <b>807,900</b> | <b>4,206,749</b> |                     |                  | <b>15,471,609</b> |
| <b>Senior Managers of the Municipality</b>                           |           |                   |                |                  |                     |                  |                   |
| Municipal Manager (MM)                                               | 1         | 1,197,000         |                |                  | 179,550             |                  | 1,376,550         |
| Chief Finance Officer                                                | 1         | 937,470           |                |                  | 140,620             |                  | 1,078,090         |
| Director: Environmental Affairs                                      | 1         | 925,650           |                |                  | 138,850             |                  | 1,064,500         |
| Director: Planning and Housing                                       | 1         | 925,650           |                |                  | 138,850             |                  | 1,064,500         |
| Director: Community Safety                                           | 1         | 925,650           |                |                  | 138,850             |                  | 1,064,500         |
| Director: Civil Engineering                                          | 1         | 937,470           |                |                  | 140,620             |                  | 1,078,090         |
| <i>List of each official with packages &gt;= senior manager</i>      |           |                   |                |                  |                     |                  |                   |
| Director: Electro-Technical Services                                 | 1         | 925,650           |                |                  | 138,850             |                  | 1,064,500         |
| Director: Corporate & Social Services                                | 1         | 925,650           |                |                  | 138,850             |                  | 1,064,500         |
| <b>Total Senior Managers of the Municipality</b>                     | <b>8</b>  | <b>7,700,190</b>  | <b>–</b>       | <b>–</b>         | <b>1,155,040</b>    |                  | <b>8,855,230</b>  |
| <b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b> | <b>57</b> | <b>18,157,150</b> | <b>807,900</b> | <b>4,206,749</b> | <b>1,155,040</b>    |                  | <b>24,326,839</b> |

### 2.6.3 Monthly targets for revenue, expenditure and cash flow

**Table 27 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type**

| Description                                                          | Budget Year 2012/13 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                | Medium Term Revenue and Expenditure Framework |                        |                        |
|----------------------------------------------------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------------------------------------|------------------------|------------------------|
|                                                                      | July                | August          | Sept.           | October         | November        | December        | January         | February        | March           | April           | May             | June           | Budget Year 2012/13                           | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                                    |                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                |                                               |                        |                        |
| <b>Revenue By Source</b>                                             |                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                |                                               |                        |                        |
| Property rates                                                       | 140,241             | 1,594           | (277)           | (367)           | (47)            | 27              | 752             | (176)           | 150             | 4               | (71)            | (3,901)        | 137,929                                       | 142,672                | 151,115                |
| Property rates - penalties & collection charges                      | 67                  | 117             | 186             | 122             | 144             | 127             | 134             | 143             | 128             | 118             | 107             | 130            | 1,521                                         | 1,612                  | 1,709                  |
| Service charges - electricity revenue                                | 33,820              | 31,360          | 31,264          | 31,335          | 32,502          | 29,635          | 30,056          | 30,475          | 34,499          | 35,644          | 30,478          | 57,723         | 408,790                                       | 448,535                | 484,159                |
| Service charges - water revenue                                      | 16,545              | 9,370           | 9,399           | 10,702          | 9,858           | 9,965           | 10,945          | 7,357           | 6,517           | 7,298           | 7,063           | (31,277)       | 73,742                                        | 68,237                 | 71,774                 |
| Service charges - sanitation revenue                                 | 70,674              | (504)           | 5               | 517             | 476             | 411             | 554             | 359             | 389             | 471             | 460             | (15,583)       | 58,230                                        | 54,870                 | 57,758                 |
| Service charges - refuse revenue                                     | 56,628              | (443)           | (8)             | (17)            | 96              | 5               | 88              | 4               | 37              | 180             | 245             | (17,883)       | 38,932                                        | 34,060                 | 35,649                 |
| Service charges - other                                              | 314                 | 1               | 1               | 1               | 2               | 2               | 0               | 1               | 0               | 1               | 0               | 28             | 352                                           | 374                    | 397                    |
| Rental of facilities and equipment                                   | 833                 | 34              | 90              | 106             | 156             | 126             | 99              | 127             | 112             | 114             | 116             | 110            | 2,023                                         | 2,137                  | 2,258                  |
| Interest earned - external investments                               | –                   | 982             | 2,446           | –               | 1,103           | 1,581           | 1,081           | 1,206           | 1,307           | 1,493           | 1,496           | (241)          | 12,455                                        | 13,202                 | 13,994                 |
| Interest earned - outstanding debtors                                | 290                 | 323             | 374             | 311             | 358             | 458             | 335             | 335             | 291             | 289             | 303             | 394            | 4,061                                         | 4,285                  | 4,522                  |
| Dividends received                                                   | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| Fines                                                                | 246                 | 889             | 2,086           | 523             | 2,846           | 1,072           | 1,678           | 1,253           | 1,518           | 1,778           | 1,842           | 1,496          | 17,228                                        | 18,262                 | 19,358                 |
| Licences and permits                                                 | 163                 | 243             | 159             | 221             | 187             | 159             | 251             | 127             | 232             | 166             | 292             | 116            | 2,315                                         | 2,454                  | 2,601                  |
| Agency services                                                      | 695                 | (138)           | 338             | 826             | 127             | 1,297           | 692             | 41              | 510             | 214             | 721             | 714            | 6,037                                         | 6,399                  | 6,783                  |
| Transfers recognised - operational                                   | 93                  | 417             | 336             | –               | 239             | 268             | 518             | –               | 695             | 360             | 162             | 152,794        | 155,883                                       | 172,889                | 158,217                |
| Other revenue                                                        | 586                 | 744             | 705             | 523             | 318             | 639             | 508             | 380             | 8,584           | 393             | 494             | 8,155          | 22,027                                        | 13,877                 | 14,737                 |
| Gains on disposal of PPE                                             | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| <b>Total Revenue (excluding capital transfers and contrib</b>        | <b>321,196</b>      | <b>44,987</b>   | <b>47,104</b>   | <b>44,804</b>   | <b>48,366</b>   | <b>45,773</b>   | <b>47,691</b>   | <b>41,630</b>   | <b>54,969</b>   | <b>48,523</b>   | <b>43,708</b>   | <b>152,773</b> | <b>941,525</b>                                | <b>983,865</b>         | <b>1,025,032</b>       |
| <b>Expenditure By Type</b>                                           |                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                |                                               |                        |                        |
| Employee related costs                                               | 18,836              | 20,590          | 20,603          | 21,098          | 32,283          | 20,498          | 21,308          | 23,412          | 20,377          | 20,260          | 20,554          | 22,903         | 262,722                                       | 276,403                | 292,536                |
| Remuneration of councillors                                          | 1,289               | 1,289           | 1,289           | 1,289           | 1,289           | 1,289           | 1,289           | 1,289           | 1,289           | 1,289           | 1,289           | 1,289          | 15,472                                        | 16,245                 | 17,057                 |
| Debt impairment                                                      | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | 14,494         | 14,494                                        | 11,692                 | 17,592                 |
| Depreciation & asset impairment                                      | 8,499               | 8,499           | 8,499           | 8,499           | 8,499           | 8,499           | 8,499           | 8,499           | 8,499           | 8,499           | 8,499           | 8,499          | 101,989                                       | 95,038                 | 91,034                 |
| Finance charges                                                      | –                   | –               | 519             | –               | –               | 25,450          | –               | –               | 460             | –               | –               | 27,489         | 53,918                                        | 50,539                 | 46,801                 |
| Bulk purchases                                                       | 34,644              | 34,644          | 34,760          | 19,148          | 19,130          | 19,577          | 18,680          | 19,380          | 18,731          | 20,299          | 18,597          | 22,318         | 279,909                                       | 317,745                | 360,757                |
| Other materials                                                      | (1)                 | 13              | 12              | 13              | 15              | 7               | 9               | 14              | 10              | 47              | 10              | 44             | 193                                           | 196                    | 202                    |
| Contracted services                                                  | 1,003               | 2,237           | 3,061           | 6,845           | 7,511           | 8,695           | 4,234           | 6,575           | 25,077          | 6,122           | 7,947           | 26,843         | 106,150                                       | 120,708                | 94,269                 |
| Transfers and grants                                                 | 51                  | 138             | 150             | 91              | 129             | 191             | 194             | 47              | 241             | 141             | 130             | 510            | 2,011                                         | 2,076                  | 2,147                  |
| Other expenditure                                                    | 6,152               | 11,862          | 31,608          | 18,153          | 16,385          | 36,664          | 10,575          | 11,093          | 15,765          | 41,152          | 15,870          | (72,786)       | 142,495                                       | 146,063                | 150,933                |
| Loss on disposal of PPE                                              | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| <b>Total Expenditure</b>                                             | <b>70,474</b>       | <b>79,273</b>   | <b>100,501</b>  | <b>75,136</b>   | <b>85,241</b>   | <b>120,871</b>  | <b>64,788</b>   | <b>70,310</b>   | <b>90,448</b>   | <b>97,809</b>   | <b>72,897</b>   | <b>51,603</b>  | <b>979,351</b>                                | <b>1,036,704</b>       | <b>1,073,328</b>       |
| <b>Surplus/(Deficit)</b>                                             | <b>250,722</b>      | <b>(34,285)</b> | <b>(53,397)</b> | <b>(30,332)</b> | <b>(36,875)</b> | <b>(75,098)</b> | <b>(17,097)</b> | <b>(28,680)</b> | <b>(35,479)</b> | <b>(49,286)</b> | <b>(29,189)</b> | <b>101,171</b> | <b>(37,827)</b>                               | <b>(52,839)</b>        | <b>(48,296)</b>        |
| Transfers recognised - capital                                       | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | 45,390         | 45,390                                        | 42,746                 | 45,486                 |
| Contributions recognised - capital                                   | 174                 | 1,285           | 315             | 1,441           | 217             | 232             | 406             | 361             | 1,027           | 52              | 517             | 219            | 6,246                                         | 6,620                  | 7,018                  |
| Contributed assets                                                   | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>250,896</b>      | <b>(33,000)</b> | <b>(53,082)</b> | <b>(28,891)</b> | <b>(36,658)</b> | <b>(74,867)</b> | <b>(16,691)</b> | <b>(28,320)</b> | <b>(34,452)</b> | <b>(49,234)</b> | <b>(28,672)</b> | <b>146,780</b> | <b>13,809</b>                                 | <b>(3,472)</b>         | <b>4,208</b>           |
| Taxation                                                             | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| Attributable to minorities                                           | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| Share of surplus/ (deficit) of associate                             | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| <b>Surplus/(Deficit)</b>                                             | <b>250,896</b>      | <b>(33,000)</b> | <b>(53,082)</b> | <b>(28,891)</b> | <b>(36,658)</b> | <b>(74,867)</b> | <b>(16,691)</b> | <b>(28,320)</b> | <b>(34,452)</b> | <b>(49,234)</b> | <b>(28,672)</b> | <b>146,780</b> | <b>13,809</b>                                 | <b>(3,472)</b>         | <b>4,208</b>           |

**Table 28 – SA26: Budgeted monthly revenue and expenditure by municipal vote**

| Description                                   | Budget Year 2012/13 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                | Medium Term Revenue and Expenditure Framework |                        |                        |
|-----------------------------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------------------------------------|------------------------|------------------------|
|                                               | July                | August          | Sept.           | October         | November        | December        | January         | February        | March           | April           | May             | June           | Budget Year 2012/13                           | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                             |                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                |                                               |                        |                        |
| <b>Revenue by Vote</b>                        |                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                |                                               |                        |                        |
| Vote 1 - Office of the City Manager           | 5                   | –               | 0               | –               | 20              | 2               | –               | 1               | –               | –               | –               | 400            | 428                                           | 329                    | 381                    |
| Vote 2 - Corporate & Social Services          | 154                 | 389             | 306             | 64              | 81              | 352             | 300             | 64              | 493             | 67              | 221             | 3,072          | 5,563                                         | 4,422                  | 4,653                  |
| Vote 4 - Community Safety                     | 1,401               | 864             | 2,552           | 1,548           | 3,100           | 2,542           | 2,533           | 1,420           | 2,180           | 2,061           | 2,835           | 4,009          | 27,045                                        | 28,579                 | 30,205                 |
| Vote 5 - Planning & Housing                   | 959                 | 427             | 388             | 306             | 163             | 439             | 186             | 257             | 307             | 261             | 265             | 45,537         | 49,495                                        | 42,507                 | 44,679                 |
| Vote 6 - Environmental Affairs                | 56,691              | (59)            | 292             | 91              | 448             | 66              | 567             | 75              | 452             | 667             | 345             | 7,044          | 66,679                                        | 70,528                 | 74,003                 |
| Vote 8 - Civil Engineering Services           | 87,511              | 10,205          | 9,882           | 12,508          | 10,681          | 10,602          | 12,003          | 8,177           | 7,393           | 7,978           | 8,062           | 66,665         | 251,666                                       | 262,991                | 252,988                |
| Vote 9 - Electro-technical Services           | 33,931              | 31,530          | 31,400          | 31,733          | 32,674          | 29,908          | 30,229          | 30,636          | 43,261          | 35,731          | 30,699          | 68,520         | 430,254                                       | 455,507                | 492,104                |
| Vote 10 - Treasury                            | 140,716             | 2,916           | 2,599           | (6)             | 1,417           | 2,095           | 2,280           | 1,361           | 1,911           | 1,811           | 1,799           | 3,135          | 162,032                                       | 168,369                | 178,524                |
| <b>Total Revenue by Vote</b>                  | <b>321,370</b>      | <b>46,272</b>   | <b>47,419</b>   | <b>46,245</b>   | <b>48,583</b>   | <b>46,005</b>   | <b>48,097</b>   | <b>41,991</b>   | <b>55,996</b>   | <b>48,575</b>   | <b>44,225</b>   | <b>198,382</b> | <b>993,160</b>                                | <b>1,033,232</b>       | <b>1,077,536</b>       |
| <b>Expenditure by Vote to be appropriated</b> |                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                |                                               |                        |                        |
| Vote 1 - Office of the City Manager           | 2,454               | 2,888           | 4,024           | 3,768           | 5,970           | 5,372           | 2,834           | (915)           | 3,415           | 3,203           | 3,668           | 7,398          | 44,077                                        | 44,805                 | 46,563                 |
| Vote 2 - Corporate & Social Services          | 3,284               | 5,976           | 3,798           | 3,830           | 5,822           | 5,861           | 3,974           | 5,316           | 4,364           | 3,834           | 4,897           | 3,048          | 54,005                                        | 55,655                 | 57,757                 |
| Vote 4 - Community Safety                     | 2,930               | 3,555           | 3,604           | 3,779           | 5,739           | 4,492           | 4,106           | 4,252           | 4,070           | 4,299           | 3,932           | 6,133          | 50,890                                        | 52,683                 | 54,707                 |
| Vote 5 - Planning & Housing                   | 2,672               | 3,319           | 3,278           | 6,762           | 8,215           | 8,037           | 4,691           | 6,837           | 7,621           | 5,530           | 7,032           | 12,283         | 76,277                                        | 69,418                 | 72,002                 |
| Vote 6 - Environmental Affairs                | 3,774               | 4,639           | 22,995          | 10,883          | 6,756           | 30,612          | 6,285           | 5,534           | 5,296           | 29,764          | 5,578           | (60,490)       | 71,627                                        | 71,278                 | 73,525                 |
| Vote 8 - Civil Engineering Services           | 13,399              | 15,213          | 18,930          | 17,929          | 19,869          | 29,568          | 15,850          | 19,521          | 36,915          | 19,646          | 19,361          | 35,029         | 261,229                                       | 284,172                | 261,427                |
| Vote 9 - Electro-technical Services           | 39,139              | 39,847          | 40,641          | 24,828          | 26,638          | 33,370          | 23,364          | 25,999          | 24,655          | 25,961          | 24,387          | 40,338         | 369,169                                       | 407,166                | 452,839                |
| Vote 10 - Treasury                            | 2,822               | 3,835           | 3,231           | 3,355           | 6,233           | 3,559           | 3,684           | 3,767           | 4,111           | 5,573           | 4,043           | 7,864          | 52,077                                        | 51,527                 | 54,509                 |
| <b>Total Expenditure by Vote</b>              | <b>70,474</b>       | <b>79,273</b>   | <b>100,501</b>  | <b>75,136</b>   | <b>85,241</b>   | <b>120,871</b>  | <b>64,788</b>   | <b>70,310</b>   | <b>90,448</b>   | <b>97,809</b>   | <b>72,897</b>   | <b>51,603</b>  | <b>979,351</b>                                | <b>1,036,704</b>       | <b>1,073,328</b>       |
| <b>Surplus/(Deficit) before assoc.</b>        | <b>250,896</b>      | <b>(33,000)</b> | <b>(53,082)</b> | <b>(28,891)</b> | <b>(36,658)</b> | <b>(74,867)</b> | <b>(16,691)</b> | <b>(28,320)</b> | <b>(34,452)</b> | <b>(49,234)</b> | <b>(28,672)</b> | <b>146,780</b> | <b>13,809</b>                                 | <b>(3,472)</b>         | <b>4,208</b>           |
| Taxation                                      | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| Attributable to minorities                    | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| Share of surplus/ (deficit) of associate      | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –              | –                                             | –                      | –                      |
| <b>Surplus/(Deficit)</b>                      | <b>250,896</b>      | <b>(33,000)</b> | <b>(53,082)</b> | <b>(28,891)</b> | <b>(36,658)</b> | <b>(74,867)</b> | <b>(16,691)</b> | <b>(28,320)</b> | <b>(34,452)</b> | <b>(49,234)</b> | <b>(28,672)</b> | <b>146,780</b> | <b>13,809</b>                                 | <b>(3,472)</b>         | <b>4,208</b>           |

**Table 29 – SA27: Budgeted monthly revenue and expenditure by standard classification**

| Description                                | Budget Year 2012/13 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 | Medium Term Revenue and Expenditure Framework |                        |                        |
|--------------------------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------------------------|------------------------|------------------------|
|                                            | July                | August          | Sept.           | October         | November        | December        | January         | February        | March           | April           | May             | June            | Budget Year 2012/13                           | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>Revenue - Standard</b>                  |                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                                               |                        |                        |
| <b>Governance and administration</b>       | <b>141,480</b>      | <b>2,785</b>    | <b>2,556</b>    | <b>(43)</b>     | <b>1,406</b>    | <b>2,294</b>    | <b>2,239</b>    | <b>1,362</b>    | <b>2,272</b>    | <b>1,785</b>    | <b>1,933</b>    | <b>4,709</b>    | <b>164,778</b>                                | <b>171,298</b>         | <b>181,644</b>         |
| Executive and council                      | 5                   | –               | 0               | –               | 20              | 2               | –               | 1               | –               | –               | –               | 0               | 28                                            | 29                     | 31                     |
| Budget and treasury office                 | 140,616             | 2,812           | 2,521           | (92)            | 1,303           | 1,976           | 2,189           | 1,279           | 1,826           | 1,722           | 1,703           | 3,064           | 160,920                                       | 167,214                | 177,325                |
| Corporate services                         | 859                 | (28)            | 34              | 49              | 84              | 316             | 50              | 81              | 447             | 63              | 230             | 1,645           | 3,830                                         | 4,055                  | 4,288                  |
| <b>Community and public safety</b>         | <b>694</b>          | <b>1,524</b>    | <b>2,663</b>    | <b>671</b>      | <b>3,252</b>    | <b>1,523</b>    | <b>2,452</b>    | <b>1,380</b>    | <b>1,971</b>    | <b>2,286</b>    | <b>1,988</b>    | <b>53,009</b>   | <b>73,413</b>                                 | <b>74,032</b>          | <b>77,232</b>          |
| Community and social services              | 59                  | 357             | 312             | 62              | 88              | 330             | 297             | 56              | 93              | 58              | 56              | 965             | 2,733                                         | 1,430                  | 1,496                  |
| Sport and recreation                       | 2                   | 278             | 217             | 32              | 267             | 8               | 398             | 5               | 330             | 426             | 23              | 2,639           | 4,625                                         | 12,656                 | 12,690                 |
| Public safety                              | 530                 | 745             | 2,054           | 488             | 2,774           | 1,063           | 1,657           | 1,235           | 1,460           | 1,712           | 1,810           | 3,163           | 18,691                                        | 19,724                 | 20,819                 |
| Housing                                    | 103                 | 109             | 80              | 89              | 117             | 121             | 93              | 84              | 88              | 90              | 98              | 45,404          | 46,476                                        | 39,282                 | 41,235                 |
| Health                                     | –                   | 36              | –               | –               | 7               | 1               | 7               | –               | –               | –               | –               | 839             | 889                                           | 939                    | 992                    |
| <b>Economic and environmental services</b> | <b>1,089</b>        | <b>596</b>      | <b>944</b>      | <b>1,372</b>    | <b>446</b>      | <b>1,618</b>    | <b>1,055</b>    | <b>400</b>      | <b>1,019</b>    | <b>570</b>      | <b>1,251</b>    | <b>28,831</b>   | <b>39,190</b>                                 | <b>59,412</b>          | <b>36,888</b>          |
| Planning and development                   | 221                 | 484             | 385             | 293             | 115             | 171             | 173             | 213             | 304             | 237             | 232             | 579             | 3,408                                         | 3,489                  | 3,730                  |
| Road transport                             | 867                 | 111             | 559             | 1,079           | 331             | 1,447           | 881             | 187             | 715             | 332             | 1,019           | 28,252          | 35,781                                        | 55,922                 | 33,157                 |
| Environmental protection                   | 0                   | 0               | 0               | 0               | 0               | 0               | –               | 0               | 0               | 0               | 0               | –               | 1                                             | 1                      | 1                      |
| <b>Trading services</b>                    | <b>178,107</b>      | <b>41,367</b>   | <b>41,255</b>   | <b>44,243</b>   | <b>43,476</b>   | <b>40,566</b>   | <b>42,351</b>   | <b>38,848</b>   | <b>50,732</b>   | <b>43,933</b>   | <b>39,052</b>   | <b>111,833</b>  | <b>715,763</b>                                | <b>728,473</b>         | <b>781,754</b>         |
| Electricity                                | 33,931              | 31,530          | 31,400          | 31,733          | 32,674          | 29,908          | 30,229          | 30,636          | 43,261          | 35,731          | 30,699          | 68,520          | 430,254                                       | 455,507                | 492,104                |
| Water                                      | 16,693              | 10,116          | 9,592           | 11,389          | 10,009          | 10,096          | 11,288          | 7,495           | 6,789           | 7,401           | 7,345           | 12,364          | 120,577                                       | 119,393                | 126,668                |
| Waste water management                     | 70,808              | 80              | 213             | 1,084           | 649             | 511             | 693             | 659             | 592             | 577             | 708             | 26,879          | 103,452                                       | 96,309                 | 102,314                |
| Waste management                           | 56,675              | (360)           | 50              | 37              | 144             | 51              | 141             | 57              | 90              | 224             | 300             | 4,070           | 61,481                                        | 57,263                 | 60,669                 |
| <b>Other</b>                               | <b>–</b>            | <b>1</b>        | <b>1</b>        | <b>2</b>        | <b>2</b>        | <b>3</b>        | <b>1</b>        | <b>2</b>        | <b>1</b>        | <b>2</b>        | <b>1</b>        | <b>1</b>        | <b>16</b>                                     | <b>17</b>              | <b>18</b>              |
| <b>Total Revenue - Standard</b>            | <b>321,370</b>      | <b>46,272</b>   | <b>47,419</b>   | <b>46,245</b>   | <b>48,583</b>   | <b>46,005</b>   | <b>48,097</b>   | <b>41,991</b>   | <b>55,996</b>   | <b>48,575</b>   | <b>44,225</b>   | <b>198,382</b>  | <b>993,160</b>                                | <b>1,033,232</b>       | <b>1,077,536</b>       |
| <b>Expenditure - Standard</b>              |                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                                               |                        |                        |
| <b>Governance and administration</b>       | <b>7,923</b>        | <b>11,871</b>   | <b>10,110</b>   | <b>9,910</b>    | <b>16,460</b>   | <b>11,936</b>   | <b>9,509</b>    | <b>6,409</b>    | <b>10,307</b>   | <b>9,696</b>    | <b>11,241</b>   | <b>16,191</b>   | <b>131,565</b>                                | <b>133,017</b>         | <b>139,087</b>         |
| Executive and council                      | 2,180               | 2,517           | 2,515           | 2,415           | 2,874           | 2,433           | 2,389           | 1,635           | 2,734           | 2,306           | 2,461           | 5,346           | 31,805                                        | 33,070                 | 34,583                 |
| Budget and treasury office                 | 2,812               | 3,777           | 3,412           | 3,760           | 7,296           | 5,226           | 3,764           | 3,855           | 3,752           | 3,910           | 4,069           | 10,800          | 56,432                                        | 55,200                 | 58,175                 |
| Corporate services                         | 2,931               | 5,577           | 4,183           | 3,735           | 6,290           | 4,278           | 3,357           | 919             | 3,821           | 3,479           | 4,712           | 45              | 43,327                                        | 44,748                 | 46,329                 |
| <b>Community and public safety</b>         | <b>6,403</b>        | <b>8,284</b>    | <b>26,065</b>   | <b>17,766</b>   | <b>15,554</b>   | <b>40,725</b>   | <b>10,264</b>   | <b>12,942</b>   | <b>13,655</b>   | <b>37,728</b>   | <b>12,585</b>   | <b>(51,628)</b> | <b>150,343</b>                                | <b>145,172</b>         | <b>149,839</b>         |
| Community and social services              | 1,043               | 1,257           | 1,121           | 1,303           | 1,704           | 3,065           | 1,282           | 1,252           | 1,179           | 1,536           | 1,194           | 3,476           | 19,411                                        | 19,504                 | 20,083                 |
| Sport and recreation                       | 984                 | 1,354           | 19,210          | 7,281           | 1,740           | 28,504          | 1,478           | 1,352           | 1,554           | 25,977          | 1,364           | (69,671)        | 19,126                                        | 19,347                 | 19,489                 |
| Public safety                              | 2,460               | 3,028           | 3,091           | 3,260           | 4,928           | 3,925           | 3,583           | 3,663           | 3,566           | 3,777           | 3,406           | 5,537           | 44,226                                        | 45,648                 | 47,283                 |
| Housing                                    | 1,565               | 2,198           | 2,224           | 5,529           | 6,567           | 6,746           | 3,531           | 5,391           | 6,934           | 5,996           | 6,101           | 8,392           | 61,174                                        | 54,132                 | 56,235                 |
| Health                                     | 351                 | 446             | 418             | 393             | 614             | 484             | 390             | 1,285           | 422             | 442             | 520             | 638             | 6,405                                         | 6,541                  | 6,749                  |
| <b>Economic and environmental services</b> | <b>7,324</b>        | <b>8,083</b>    | <b>7,576</b>    | <b>8,046</b>    | <b>10,041</b>   | <b>15,137</b>   | <b>7,607</b>    | <b>9,122</b>    | <b>25,997</b>   | <b>8,966</b>    | <b>9,099</b>    | <b>27,645</b>   | <b>144,643</b>                                | <b>165,989</b>         | <b>137,323</b>         |
| Planning and development                   | 1,039               | 1,104           | 1,089           | 1,172           | 1,792           | 1,269           | 1,109           | 1,439           | 1,294           | 1,452           | 1,367           | 2,503           | 16,630                                        | 17,264                 | 18,098                 |
| Road transport                             | 6,056               | 6,742           | 6,237           | 6,622           | 7,903           | 13,364          | 6,225           | 7,375           | 24,449          | 7,223           | 7,472           | 24,692          | 124,361                                       | 144,939                | 115,284                |
| Environmental protection                   | 229                 | 237             | 250             | 252             | 346             | 503             | 273             | 308             | 254             | 290             | 260             | 450             | 3,652                                         | 3,785                  | 3,941                  |
| <b>Trading services</b>                    | <b>48,680</b>       | <b>50,866</b>   | <b>56,587</b>   | <b>39,252</b>   | <b>42,906</b>   | <b>52,928</b>   | <b>37,249</b>   | <b>41,671</b>   | <b>40,276</b>   | <b>41,244</b>   | <b>39,774</b>   | <b>59,162</b>   | <b>550,595</b>                                | <b>590,210</b>         | <b>644,647</b>         |
| Electricity                                | 38,679              | 39,390          | 40,292          | 24,594          | 26,156          | 33,100          | 23,072          | 25,583          | 24,337          | 25,650          | 23,953          | 40,126          | 364,931                                       | 402,749                | 448,283                |
| Water                                      | 4,995               | 5,730           | 7,562           | 7,992           | 7,640           | 10,306          | 6,207           | 8,791           | 8,882           | 7,444           | 8,241           | 2,434           | 86,223                                        | 88,006                 | 91,935                 |
| Waste water management                     | 2,863               | 3,313           | 5,686           | 3,882           | 5,218           | 6,521           | 3,982           | 4,105           | 4,144           | 5,571           | 4,212           | 8,589           | 58,086                                        | 59,066                 | 62,466                 |
| Waste management                           | 2,142               | 2,433           | 3,047           | 2,784           | 3,892           | 3,002           | 3,988           | 3,193           | 2,914           | 2,579           | 3,368           | 8,013           | 41,356                                        | 40,390                 | 41,963                 |
| <b>Other</b>                               | <b>144</b>          | <b>169</b>      | <b>163</b>      | <b>161</b>      | <b>280</b>      | <b>145</b>      | <b>160</b>      | <b>165</b>      | <b>213</b>      | <b>176</b>      | <b>198</b>      | <b>232</b>      | <b>2,206</b>                                  | <b>2,316</b>           | <b>2,431</b>           |
| <b>Total Expenditure - Standard</b>        | <b>70,474</b>       | <b>79,273</b>   | <b>100,501</b>  | <b>75,136</b>   | <b>85,241</b>   | <b>120,871</b>  | <b>64,788</b>   | <b>70,310</b>   | <b>90,448</b>   | <b>97,809</b>   | <b>72,897</b>   | <b>51,603</b>   | <b>979,351</b>                                | <b>1,036,704</b>       | <b>1,073,328</b>       |
| <b>Surplus/(Deficit) before assoc.</b>     | <b>250,896</b>      | <b>(33,000)</b> | <b>(53,082)</b> | <b>(28,891)</b> | <b>(36,658)</b> | <b>(74,867)</b> | <b>(16,691)</b> | <b>(28,320)</b> | <b>(34,452)</b> | <b>(49,234)</b> | <b>(28,672)</b> | <b>146,780</b>  | <b>13,809</b>                                 | <b>(3,472)</b>         | <b>4,208</b>           |
| Share of surplus/ (deficit) of associate   | –                   | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –               | –                                             | –                      | –                      |
| <b>Surplus/(Deficit)</b>                   | <b>250,896</b>      | <b>(33,000)</b> | <b>(53,082)</b> | <b>(28,891)</b> | <b>(36,658)</b> | <b>(74,867)</b> | <b>(16,691)</b> | <b>(28,320)</b> | <b>(34,452)</b> | <b>(49,234)</b> | <b>(28,672)</b> | <b>146,780</b>  | <b>13,809</b>                                 | <b>(3,472)</b>         | <b>4,208</b>           |

**Table 30 – SA30: Budgeted monthly cash flow**

| MONTHLY CASH FLOWS                                      | Budget Year 2012/13 |               |               |               |               |               |               |               |                |               |               |                | Medium Term Revenue and Expenditure Framework |                        |                        |
|---------------------------------------------------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|-----------------------------------------------|------------------------|------------------------|
|                                                         | July                | August        | Sept.         | October       | November      | December      | January       | February      | March          | April         | May           | June           | Budget Year 2012/13                           | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>Cash Receipts By Source</b>                          |                     |               |               |               |               |               |               |               |                |               |               |                | 1                                             |                        |                        |
| Property rates                                          | 20,783              | 10,244        | 36,046        | 14,165        | 8,611         | 5,328         | 17,354        | 6,755         | 9,108          | 5,561         | 8,611         | 6,398          | 148,964                                       | 154,086                | 163,204                |
| Property rates - penalties & collection charges         | 76                  | 44            | 211           | 50            | 51            | 52            | 32            | 58            | 60             | 183           | 213           | 492            | 1,521                                         | 1,612                  | 1,709                  |
| Service charges - electricity revenue                   | 30,287              | 30,450        | 35,648        | 36,781        | 32,778        | 34,617        | 33,346        | 33,875        | 37,480         | 21,666        | 22,099        | 84,291         | 433,318                                       | 475,447                | 513,208                |
| Service charges - water revenue                         | 4,011               | 4,441         | 5,111         | 5,175         | 5,148         | 5,047         | 7,486         | 6,552         | 5,324          | 7,817         | 7,817         | 14,238         | 78,166                                        | 72,331                 | 76,081                 |
| Service charges - sanitation revenue                    | 727                 | 1,425         | 3,552         | 885           | 426           | (100)         | (95)          | 2,244         | 842            | 4,938         | 5,000         | 41,879         | 61,723                                        | 58,162                 | 61,224                 |
| Service charges - refuse revenue                        | 348                 | 1,335         | 2,221         | 549           | 144           | (125)         | (143)         | 1,873         | 723            | 3,301         | 3,920         | 27,120         | 41,268                                        | 36,104                 | 37,787                 |
| Service charges - other                                 | 187                 | 17            | 17            | 17            | 17            | 17            | 17            | 17            | 17             | 17            | 17            | 17             | 373                                           | 396                    | 421                    |
| Rental of facilities and equipment                      | 69                  | 56            | 67            | 82            | 93            | 68            | 74            | 57            | 65             | 121           | 162           | 1,108          | 2,023                                         | 2,137                  | 2,258                  |
| Interest earned - external investments                  | –                   | 5,507         | 1             | 2,923         | 1,129         | –             | –             | 2,894         | –              | –             | –             | 0              | 12,455                                        | 13,202                 | 13,994                 |
| Interest earned - outstanding debtors                   | 337                 | 302           | 427           | 286           | 300           | 333           | 348           | 297           | 356            | 344           | 344           | 630            | 4,305                                         | 4,542                  | 4,794                  |
| Dividends received                                      | –                   | –             | –             | –             | –             | –             | –             | –             | –              | –             | –             | –              | –                                             | –                      | –                      |
| Fines                                                   | 1,288               | 1,727         | 1,688         | 1,029         | 1,906         | 1,170         | 1,317         | 1,771         | 1,359          | 1,378         | 1,378         | 1,217          | 17,228                                        | 18,262                 | 19,358                 |
| Licences and permits                                    | 167                 | 259           | 291           | 94            | 269           | 143           | 255           | 223           | 205            | 208           | 185           | 16             | 2,315                                         | 2,454                  | 2,601                  |
| Agency services                                         | 238                 | 1,052         | (82)          | 594           | 369           | (315)         | 1,171         | 826           | 122            | 483           | 483           | 1,095          | 6,037                                         | 6,399                  | 6,783                  |
| Transfer receipts - operational                         | 26,770              | 5,081         | 7,083         | 893           | 28,630        | 6,652         | 9,280         | 8,065         | 31,029         | 3,946         | 3,946         | 3,946          | 135,322                                       | 153,469                | 128,022                |
| Other revenue                                           | 3,389               | 1,357         | 1,964         | 11,911        | 15,270        | 1,481         | 11,923        | 8,486         | 1,710          | 1,762         | 1,762         | (38,988)       | 22,027                                        | 13,877                 | 14,737                 |
| <b>Cash Receipts by Source</b>                          | <b>88,677</b>       | <b>63,296</b> | <b>94,246</b> | <b>75,435</b> | <b>95,143</b> | <b>54,367</b> | <b>82,363</b> | <b>73,994</b> | <b>88,401</b>  | <b>51,726</b> | <b>55,938</b> | <b>143,458</b> | <b>967,045</b>                                | <b>1,012,480</b>       | <b>1,046,181</b>       |
| <b>Other Cash Flows by Source</b>                       |                     |               |               |               |               |               |               |               |                |               |               |                |                                               |                        |                        |
| Transfer receipts - capital                             | 31,693              | 387           | 2,071         | 1,034         | 1,034         | 18,787        | –             | 123           | 21,128         | 1,729         | 1,729         | 1,729          | 81,444                                        | 72,961                 | 87,147                 |
| Contributions recognised - capital & Contributed assets | 655                 | 593           | 807           | 135           | 807           | 1,048         | 381           | 249           | 822            | 249           | 249           | 249            | 6,246                                         | 6,620                  | 7,018                  |
| Proceeds on disposal of PPE                             | 6,924               | –             | 138           | 83            | –             | 83            | 55            | 83            | 55             | 62            | 187           | 187            | 7,859                                         | 15,000                 | 10,000                 |
| Short term loans                                        | –                   | –             | –             | –             | –             | –             | –             | –             | –              | –             | –             | –              | –                                             | –                      | –                      |
| Borrowing long term/refinancing                         | –                   | –             | –             | –             | –             | –             | 10,650        | –             | –              | –             | –             | –              | 10,650                                        | 4,000                  | 4,000                  |
| Increase (decrease) in consumer deposits                | 145                 | 308           | 211           | 263           | 169           | 71            | 166           | 201           | 108            | 94            | 178           | 68             | 1,982                                         | 585                    | 1,807                  |
| Decrease (Increase) in non-current debtors              | –                   | –             | –             | –             | –             | –             | –             | –             | –              | –             | –             | –              | –                                             | –                      | –                      |
| Decrease (increase) other non-current receivables       | 442                 | 938           | 642           | 699           | 513           | 216           | 506           | 15            | 330            | 286           | 206           | 206            | 5,000                                         | 5,000                  | 5,000                  |
| Decrease (increase) in non-current investments          | –                   | –             | –             | –             | –             | –             | –             | –             | –              | –             | –             | –              | –                                             | –                      | –                      |
| <b>Total Cash Receipts by Source</b>                    | <b>128,536</b>      | <b>65,522</b> | <b>98,115</b> | <b>77,649</b> | <b>97,666</b> | <b>74,572</b> | <b>94,122</b> | <b>74,666</b> | <b>110,844</b> | <b>54,147</b> | <b>58,488</b> | <b>145,898</b> | <b>1,080,225</b>                              | <b>1,116,647</b>       | <b>1,161,153</b>       |

| MONTHLY CASH FLOWS                             | Budget Year 2012/13 |                |               |                 |               |                 |               |               |               |                 |                 |                 | Medium Term Revenue and Expenditure Framework |                        |                        |
|------------------------------------------------|---------------------|----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------------------------------------|------------------------|------------------------|
|                                                | July                | August         | Sept.         | October         | November      | December        | January       | February      | March         | April           | May             | June            | Budget Year 2012/13                           | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>Cash Payments by Type</b>                   |                     |                |               |                 |               |                 |               |               |               |                 |                 |                 |                                               |                        |                        |
| Employee related costs                         | 18,896              | 18,743         | 19,482        | 22,052          | 32,242        | 19,423          | 20,157        | 19,667        | 19,751        | 18,243          | 25,151          | 28,915          | 262,722                                       | 276,403                | 292,536                |
| Remuneration of councillors                    | 1,190               | 1,190          | 1,190         | 1,190           | 1,290         | 1,406           | 1,372         | 1,289         | 1,289         | 1,289           | 1,389           | 1,389           | 15,472                                        | 16,245                 | 17,057                 |
| Finance charges                                | –                   | –              | 177           | –               | –             | 26,362          | –             | –             | 153           | 153             | –               | 27,072          | 53,918                                        | 50,539                 | 46,801                 |
| Bulk purchases - Electricity                   | 28,754              | 29,569         | 39,283        | 21,632          | 21,573        | 21,801          | 21,116        | 21,889        | 18,573        | 18,573          | 18,573          | 18,573          | 279,909                                       | 317,745                | 360,757                |
| Bulk purchases - Water & Sewer                 | –                   | –              | –             | –               | –             | –               | –             | –             | –             | –               | –               | –               | –                                             | –                      | –                      |
| Other materials                                | 1                   | 3              | 4             | 3               | 6             | 3               | 3             | 2             | 4             | 13              | 29              | 122             | 193                                           | 196                    | 202                    |
| Contracted services                            | 408                 | 1,645          | 2,068         | 1,842           | 3,287         | 1,510           | 1,776         | 931           | 2,010         | 7,430           | 15,922          | 67,318          | 106,150                                       | 120,708                | 94,269                 |
| Transfers and grants - other municipalities    | –                   | –              | –             | –               | –             | –               | –             | –             | –             | –               | –               | –               | –                                             | –                      | –                      |
| Transfers and grants - other                   | 1                   | 3              | 3             | 7               | 5             | 8               | 12            | (61)          | (12)          | 161             | 181             | 1,704           | 2,011                                         | 2,076                  | 2,147                  |
| Other expenditure                              | 15,033              | 14,695         | 24,011        | 18,257          | 22,856        | 5,148           | 18,451        | 11,588        | 11,943        | 9,938           | 12,777          | (22,727)        | 141,970                                       | 145,512                | 150,354                |
| <b>Cash Payments by Type</b>                   | <b>64,282</b>       | <b>65,847</b>  | <b>86,217</b> | <b>64,983</b>   | <b>81,258</b> | <b>75,661</b>   | <b>62,887</b> | <b>55,305</b> | <b>53,711</b> | <b>55,801</b>   | <b>74,023</b>   | <b>122,368</b>  | <b>862,344</b>                                | <b>929,423</b>         | <b>964,123</b>         |
| <b>Other Cash Flows/Payments by Type</b>       |                     |                |               |                 |               |                 |               |               |               |                 |                 |                 |                                               |                        |                        |
| Capital assets                                 | 384                 | 3,493          | 1,381         | 24,360          | 2,457         | 5,200           | 1,361         | 1,321         | 5,852         | 8,505           | 17,010          | 70,425          | 141,749                                       | 221,224                | 222,435                |
| Repayment of borrowing                         | –                   | –              | –             | –               | –             | 15,129          | –             | –             | 491           | 491             | –               | 16,446          | 32,557                                        | 35,932                 | 39,665                 |
| Other Cash Flows/Payments                      | –                   | –              | –             | –               | –             | –               | –             | –             | –             | –               | –               | –               | –                                             | –                      | –                      |
| <b>Total Cash Payments by Type</b>             | <b>64,666</b>       | <b>69,340</b>  | <b>87,598</b> | <b>89,342</b>   | <b>83,716</b> | <b>95,990</b>   | <b>64,248</b> | <b>56,625</b> | <b>60,055</b> | <b>64,798</b>   | <b>91,033</b>   | <b>209,238</b>  | <b>1,036,650</b>                              | <b>1,186,578</b>       | <b>1,226,222</b>       |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>    | <b>63,871</b>       | <b>(3,819)</b> | <b>10,517</b> | <b>(11,693)</b> | <b>13,951</b> | <b>(21,418)</b> | <b>29,873</b> | <b>18,041</b> | <b>50,789</b> | <b>(10,651)</b> | <b>(32,545)</b> | <b>(63,340)</b> | <b>43,576</b>                                 | <b>(69,932)</b>        | <b>(65,069)</b>        |
| Cash/cash equivalents at the month/year begin: | 265,316             | 329,187        | 325,368       | 335,885         | 324,192       | 338,143         | 316,724       | 346,598       | 364,638       | 415,428         | 404,777         | 372,232         | 265,316                                       | 308,892                | 238,960                |
| Cash/cash equivalents at the month/year end:   | 329,187             | 325,368        | 335,885       | 324,192         | 338,143       | 316,724         | 346,598       | 364,638       | 415,428       | 404,777         | 372,232         | 308,892         | 308,892                                       | 238,960                | 173,891                |

#### **2.6.4 Capital expenditure details**

The following three tables presents details of the Municipality's capital expenditure programme.

**Table 31 – SA34a: Capital Expenditure on new assets by asset class**

| Description                                                       | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>Capital expenditure on new assets by Asset Class/Sub-class</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Infrastructure</b>                                             | <b>250,749</b>  | <b>188,387</b>  | <b>120,452</b>  | <b>117,298</b>       | <b>88,484</b>   | <b>88,484</b>      | <b>78,433</b>                                       | <b>133,214</b>         | <b>131,697</b>         |
| Infrastructure - Road transport                                   | 114,599         | 45,176          | 21,622          | 3,420                | 3,420           | 3,420              | 8,246                                               | 10,080                 | 1,620                  |
| Roads, Pavements & Bridges                                        | 98,920          | 23,419          | 13,975          | 2,420                | 2,420           | 2,420              | 7,369                                               | 8,410                  | 70                     |
| Storm water                                                       | 15,679          | 21,757          | 7,647           | 1,000                | 1,000           | 1,000              | 877                                                 | 1,670                  | 1,550                  |
| Infrastructure - Electricity                                      | 42,788          | 54,089          | 50,704          | 57,649               | 36,636          | 36,636             | 18,829                                              | 35,650                 | 33,650                 |
| Generation                                                        | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Transmission & Reticulation                                       | 40,334          | 52,052          | 45,725          | 57,199               | 36,284          | 36,284             | 17,569                                              | 35,650                 | 33,650                 |
| Street Lighting                                                   | 2,453           | 2,037           | 4,979           | 450                  | 352             | 352                | 1,260                                               | -                      | -                      |
| Infrastructure - Water                                            | 54,686          | 83,752          | 35,070          | 21,316               | 15,147          | 15,147             | 13,530                                              | 17,233                 | 35,210                 |
| Dams & Reservoirs                                                 | 986             | 497             | 5,620           | 150                  | 150             | 150                | 250                                                 | 2,000                  | 11,250                 |
| Water purification                                                | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Reticulation                                                      | 53,700          | 83,254          | 29,450          | 21,166               | 14,997          | 14,997             | 13,280                                              | 15,233                 | 23,960                 |
| Infrastructure - Sanitation                                       | 37,556          | 5,239           | 13,056          | 28,013               | 22,282          | 22,282             | 25,775                                              | 70,251                 | 61,217                 |
| Reticulation                                                      | 62,711          | 7,597           | 6,149           | 19,781               | 15,932          | 15,932             | 8,050                                               | 70,251                 | 61,217                 |
| Sewerage purification                                             | (25,155)        | (2,359)         | 6,907           | 8,232                | 6,350           | 6,350              | 17,725                                              | -                      | -                      |
| Infrastructure - Other                                            | 1,119           | 131             | (0)             | 6,900                | 11,000          | 11,000             | 12,054                                              | -                      | -                      |
| Waste Management                                                  | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Transportation                                                    | 1,119           | 131             | -               | 6,900                | 11,000          | 11,000             | 12,054                                              | -                      | -                      |
| Gas                                                               | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other                                                             | (0)             | 0               | (0)             | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Community</b>                                                  | <b>20,280</b>   | <b>15,934</b>   | <b>9,156</b>    | <b>23,210</b>        | <b>16,893</b>   | <b>16,893</b>      | <b>25,712</b>                                       | <b>15,950</b>          | <b>18,160</b>          |
| Parks & gardens                                                   | (0)             | -               | -               | -                    | -               | -                  | 100                                                 | 100                    | 100                    |
| Sportsfields & stadia                                             | 3,483           | 9,700           | 481             | 900                  | 4,373           | 4,373              | -                                                   | 120                    | 630                    |
| Swimming pools                                                    | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Community halls                                                   | 655             | 506             | 1,328           | 1,890                | 1,077           | 1,077              | -                                                   | -                      | -                      |
| Libraries                                                         | -               | -               | 65              | -                    | -               | -                  | 200                                                 | 600                    | 8,000                  |
| Recreational facilities                                           | 708             | -               | 527             | 17,500               | 9,740           | 9,740              | 2,632                                               | 14,500                 | -                      |
| Fire, safety & emergency                                          | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Security and policing                                             | 2,500           | 2,224           | 1,967           | 890                  | 660             | 660                | 280                                                 | 530                    | 570                    |
| Buses                                                             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Clinics                                                           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Museums & Art Galleries                                           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Cemeteries                                                        | (0)             | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Social rental housing                                             | 5,397           | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other                                                             | 7,536           | 3,505           | 4,788           | 2,030                | 1,043           | 1,043              | 22,500                                              | 100                    | 8,860                  |
| <b>Other assets</b>                                               | <b>577,048</b>  | <b>8,394</b>    | <b>5,462</b>    | <b>5,434</b>         | <b>5,993</b>    | <b>5,993</b>       | <b>17,249</b>                                       | <b>14,675</b>          | <b>15,743</b>          |
| General vehicles                                                  | 7,157           | 48              | 1,310           | 1,500                | -               | -                  | 3,800                                               | 2,690                  | 2,000                  |
| Specialised vehicles                                              | 1,526           | -               | -               | -                    | -               | -                  | 5,600                                               | -                      | -                      |
| Plant & equipment                                                 | 7,477           | 6,761           | 2,217           | 3,000                | 5,235           | 5,235              | 5,228                                               | 7,600                  | 7,158                  |
| Computers - hardware/equipment                                    | 913             | 484             | 206             | 360                  | 276             | 276                | 879                                                 | 580                    | 790                    |
| Furniture and other office equipment                              | 2,012           | 21              | 1,554           | 489                  | 483             | 483                | 542                                                 | 1,175                  | 995                    |
| Abattoirs                                                         | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Markets                                                           | 52              | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Civic Land and Buildings                                          | 465             | 174             | -               | -                    | -               | -                  | -                                                   | 30                     | 2,500                  |
| Other Buildings                                                   | 377             | 906             | -               | 85                   | -               | -                  | -                                                   | -                      | -                      |
| Other Land                                                        | 556,130         | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Surplus Assets - (Investment or Inventory)                        | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other                                                             | 938             | -               | 176             | -                    | -               | -                  | 1,200                                               | 2,600                  | 2,300                  |
| <b>Intangibles</b>                                                | <b>90</b>       | <b>-</b>        | <b>-</b>        | <b>10</b>            | <b>-</b>        | <b>-</b>           | <b>10</b>                                           | <b>2,510</b>           | <b>2,510</b>           |
| Computers - software & programming                                | 106             | -               | -               | 10                   | -               | -                  | 10                                                  | 2,510                  | 2,510                  |
| Town planning                                                     | (15)            | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total Capital Expenditure on new assets</b>                    | <b>848,167</b>  | <b>212,714</b>  | <b>135,070</b>  | <b>145,952</b>       | <b>111,370</b>  | <b>111,370</b>     | <b>121,404</b>                                      | <b>166,349</b>         | <b>168,110</b>         |
| <b>Specialised vehicles</b>                                       | <b>1,526</b>    | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>5,600</b>                                        | <b>-</b>               | <b>-</b>               |
| Refuse                                                            | 928             | -               | -               | -                    | -               | -                  | 5,600                                               | -                      | -                      |
| Fire                                                              | 597             | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Conservancy                                                       | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Ambulances                                                        | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |

**Table 32 – SA34b: Capital Expenditure on the renewal of assets by asset class**

| Description                                                                       | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|-----------------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                                   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                                                 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Infrastructure</b>                                                             | (11,722)        | 26,242          | 1,539           | 14,250               | 20,849          | 20,849             | 12,500                                              | 27,500                 | 28,000                 |
| Infrastructure - Road transport                                                   | (9,174)         | (2,681)         | –               | 5,000                | 9,209           | 9,209              | –                                                   | 14,500                 | 15,000                 |
| Roads, Pavements & Bridges                                                        | (9,174)         | (2,681)         | –               | 5,000                | 9,209           | 9,209              | –                                                   | 11,500                 | 15,000                 |
| Storm water                                                                       | –               | –               | –               | –                    | –               | –                  | –                                                   | 3,000                  | –                      |
| Infrastructure - Electricity                                                      | (2,145)         | 242             | 208             | 1,250                | 2,400           | 2,400              | 6,000                                               | 5,500                  | 5,500                  |
| Generation                                                                        | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Transmission & Reticulation                                                       | (2,145)         | 242             | 179             | 1,250                | 2,400           | 2,400              | 6,000                                               | 5,500                  | 5,500                  |
| Street Lighting                                                                   | –               | –               | 29              | –                    | –               | –                  | –                                                   | –                      | –                      |
| Infrastructure - Water                                                            | (402)           | 28,681          | 1,331           | 4,000                | 2,000           | 2,000              | 4,500                                               | 4,500                  | 4,500                  |
| Dams & Reservoirs                                                                 | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Water purification                                                                | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Reticulation                                                                      | (402)           | 28,681          | 1,331           | 4,000                | 2,000           | 2,000              | 4,500                                               | 4,500                  | 4,500                  |
| Infrastructure - Sanitation                                                       | –               | (0)             | –               | 4,000                | 7,240           | 7,240              | 2,000                                               | 3,000                  | 3,000                  |
| Reticulation                                                                      | –               | (0)             | –               | 4,000                | 4,000           | 4,000              | 2,000                                               | 3,000                  | 3,000                  |
| Sewerage purification                                                             | –               | (0)             | –               | –                    | 3,240           | 3,240              | –                                                   | –                      | –                      |
| Infrastructure - Other                                                            | 0               | 0               | (0)             | –                    | –               | –                  | –                                                   | –                      | –                      |
| Waste Management                                                                  | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Transportation                                                                    | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Gas                                                                               | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other                                                                             | 0               | 0               | (0)             | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Community</b>                                                                  | 499             | 3,871           | 17              | 2,700                | 1,106           | 1,106              | 6,325                                               | 25,175                 | 24,325                 |
| Parks & gardens                                                                   | –               | –               | –               | –                    | –               | –                  | –                                                   | 100                    | 10                     |
| Sportsfields & stadia                                                             | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Swimming pools                                                                    | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Community halls                                                                   | –               | –               | –               | –                    | –               | –                  | 175                                                 | 300                    | –                      |
| Libraries                                                                         | –               | –               | –               | –                    | –               | –                  | 150                                                 | –                      | –                      |
| Recreational facilities                                                           | –               | –               | –               | –                    | 147             | 147                | –                                                   | 20                     | 20                     |
| Fire, safety & emergency                                                          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Security and policing                                                             | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Buses                                                                             | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Clinics                                                                           | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Museums & Art Galleries                                                           | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Cemeteries                                                                        | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Social rental housing                                                             | –               | –               | –               | –                    | –               | –                  | 4,000                                               | 24,000                 | 24,000                 |
| Other                                                                             | 499             | 3,871           | 17              | 2,700                | 959             | 959                | 2,000                                               | 755                    | 295                    |
| <b>Other assets</b>                                                               | –               | 239             | 9               | 10                   | –               | –                  | 1,520                                               | 2,200                  | 2,000                  |
| General vehicles                                                                  | –               | –               | –               | –                    | –               | –                  | 1,000                                               | 2,100                  | 2,000                  |
| Specialised vehicles                                                              | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Plant & equipment                                                                 | –               | 239             | –               | –                    | –               | –                  | 20                                                  | –                      | –                      |
| Computers - hardware/equipment                                                    | –               | –               | 9               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Furniture and other office equipment                                              | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Abattoirs                                                                         | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Markets                                                                           | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Civic Land and Buildings                                                          | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other Buildings                                                                   | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other Land                                                                        | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Surplus Assets - (Investment or Inventory)                                        | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other                                                                             | –               | –               | –               | 10                   | –               | –                  | 500                                                 | 100                    | –                      |
| <b>Intangibles</b>                                                                | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Computers - software & programming                                                | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Other (list sub-class)                                                            | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Total Capital Expenditure on renewal of existing assets</b>                    | <b>(11,222)</b> | <b>30,352</b>   | <b>1,565</b>    | <b>16,960</b>        | <b>21,955</b>   | <b>21,955</b>      | <b>20,345</b>                                       | <b>54,875</b>          | <b>54,325</b>          |
| <b>Specialised vehicles</b>                                                       | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Refuse                                                                            | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Fire                                                                              | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Conservancy                                                                       | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| Ambulances                                                                        | –               | –               | –               | –                    | –               | –                  | –                                                   | –                      | –                      |
| <b>Renewal of Existing Assets as % of total capex</b>                             | <b>-1.3%</b>    | <b>12.5%</b>    | <b>1.1%</b>     | <b>10.4%</b>         | <b>16.5%</b>    | <b>16.5%</b>       | <b>14.4%</b>                                        | <b>24.8%</b>           | <b>24.4%</b>           |
| <b>Renewal of Existing Assets as % of deprecn"</b>                                | <b>-18.6%</b>   | <b>38.1%</b>    | <b>1.7%</b>     | <b>18.3%</b>         | <b>21.2%</b>    | <b>21.2%</b>       | <b>19.9%</b>                                        | <b>57.7%</b>           | <b>59.7%</b>           |

**Table 33 – SA34c: Repairs and maintenance expenditure by asset class**

| Description                                                         | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                                     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                                                   |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Repairs and maintenance expenditure by Asset Class/Sub-class</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Infrastructure</b>                                               | <b>41,876</b>   | <b>39,010</b>   | <b>39,145</b>   | <b>46,389</b>        | <b>37,939</b>   | <b>37,939</b>      | <b>44,291</b>                                       | <b>46,580</b>          | <b>48,909</b>          |
| Infrastructure - Road transport                                     | 17,168          | 18,864          | 19,301          | 19,340               | 15,105          | 15,105             | 19,701                                              | 20,334                 | 21,041                 |
| Roads, Pavements & Bridges                                          | 17,168          | 18,864          | 14,134          | 13,740               | 9,545           | 9,545              | 13,863                                              | 14,204                 | 14,604                 |
| Storm water                                                         | -               | -               | 5,167           | 5,600                | 5,560           | 5,560              | 5,838                                               | 6,130                  | 6,436                  |
| Infrastructure - Electricity                                        | 11,414          | 7,182           | 6,688           | 10,096               | 7,107           | 7,107              | 8,071                                               | 8,545                  | 8,947                  |
| Generation                                                          | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Transmission & Reticulation                                         | 9,845           | 6,258           | 5,440           | 8,676                | 5,687           | 5,687              | 6,580                                               | 6,980                  | 7,304                  |
| Street Lighting                                                     | 1,569           | 923             | 1,248           | 1,420                | 1,420           | 1,420              | 1,491                                               | 1,566                  | 1,644                  |
| Infrastructure - Water                                              | 6,799           | 6,307           | 3,506           | 7,718                | 6,502           | 6,502              | 6,849                                               | 7,193                  | 7,555                  |
| Dams & Reservoirs                                                   | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Water purification                                                  | 271             | 216             | 187             | 258                  | 322             | 322                | 360                                                 | 380                    | 401                    |
| Reticulation                                                        | 6,528           | 6,091           | 3,319           | 7,460                | 6,180           | 6,180              | 6,489                                               | 6,813                  | 7,154                  |
| Infrastructure - Sanitation                                         | 6,475           | 6,657           | 9,648           | 9,225                | 9,215           | 9,215              | 9,660                                               | 10,497                 | 11,355                 |
| Reticulation                                                        | 5,640           | 6,105           | 8,972           | 8,700                | 8,590           | 8,590              | 9,000                                               | 9,800                  | 10,620                 |
| Sewerage purification                                               | 835             | 552             | 677             | 525                  | 625             | 625                | 660                                                 | 697                    | 735                    |
| Infrastructure - Other                                              | 20              | -               | 1               | 10                   | 10              | 10                 | 11                                                  | 11                     | 12                     |
| Waste Management                                                    | 20              | -               | 1               | 10                   | 10              | 10                 | 11                                                  | 11                     | 12                     |
| Transportation                                                      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Gas                                                                 | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other                                                               | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Community</b>                                                    | <b>1,685</b>    | <b>2,011</b>    | <b>3,488</b>    | <b>2,392</b>         | <b>2,997</b>    | <b>2,997</b>       | <b>3,129</b>                                        | <b>3,265</b>           | <b>3,350</b>           |
| Parks & gardens                                                     | 335             | 458             | 328             | 370                  | 370             | 370                | 380                                                 | 391                    | 402                    |
| Sportsfields & stadia                                               | 685             | 335             | 540             | 681                  | 642             | 642                | 674                                                 | 708                    | 743                    |
| Swimming pools                                                      | 234             | 257             | 257             | 290                  | 290             | 290                | 305                                                 | 320                    | 336                    |
| Community halls                                                     | -               | -               | -               | 3                    | 3               | 3                  | 3                                                   | 3                      | 3                      |
| Libraries                                                           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Recreational facilities                                             | 29              | 35              | 0               | 27                   | 27              | 27                 | 28                                                  | 30                     | 31                     |
| Fire, safety & emergency                                            | 1               | -               | -               | 1                    | 1               | 1                  | 1                                                   | 1                      | 1                      |
| Security and policing                                               | 211             | 189             | 189             | 247                  | 247             | 247                | 250                                                 | 250                    | 250                    |
| Buses                                                               | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Clinics                                                             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Museums & Art Galleries                                             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Cemeteries                                                          | 7               | -               | 37              | 23                   | 327             | 327                | 343                                                 | 361                    | 379                    |
| Social rental housing                                               | 118             | 495             | 1,609           | 400                  | 400             | 400                | 420                                                 | 441                    | 463                    |
| Other                                                               | 67              | 241             | 529             | 350                  | 690             | 690                | 724                                                 | 761                    | 741                    |
| <b>Other assets</b>                                                 | <b>8,865</b>    | <b>10,026</b>   | <b>11,340</b>   | <b>13,958</b>        | <b>13,612</b>   | <b>13,612</b>      | <b>16,205</b>                                       | <b>17,070</b>          | <b>17,995</b>          |
| General vehicles                                                    | 3,110           | 3,716           | 2,330           | 2,767                | 2,963           | 2,963              | 3,091                                               | 3,225                  | 3,366                  |
| Specialised vehicles                                                | -               | -               | 1,153           | 1,450                | 1,510           | 1,510              | 1,586                                               | 1,665                  | 1,748                  |
| Plant & equipment                                                   | 5,441           | 5,703           | 7,190           | 7,387                | 6,729           | 6,729              | 8,433                                               | 9,049                  | 9,708                  |
| Computers - hardware/equipment                                      | 93              | 55              | 111             | 210                  | 125             | 125                | 125                                                 | 125                    | 125                    |
| Furniture and other office equipment                                | 162             | 274             | 258             | 1,865                | 2,005           | 2,005              | 2,677                                               | 2,698                  | 2,724                  |
| Abattoirs                                                           | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Markets                                                             | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Civic Land and Buildings                                            | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other Buildings                                                     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other Land                                                          | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Surplus Assets - (Investment or Inventory)                          | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other                                                               | 58              | 279             | 298             | 280                  | 280             | 280                | 294                                                 | 309                    | 324                    |
| <b>Intangibles</b>                                                  | <b>1,574</b>    | <b>1,399</b>    | <b>1,391</b>    | <b>2,373</b>         | <b>2,391</b>    | <b>2,391</b>       | <b>2,479</b>                                        | <b>2,622</b>           | <b>2,740</b>           |
| Computers - software & programming                                  | 1,574           | 1,399           | 1,391           | 2,373                | 2,391           | 2,391              | 2,479                                               | 2,622                  | 2,740                  |
| Other (list sub-class)                                              | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total Repairs and Maintenance Expenditure</b>                    | <b>53,999</b>   | <b>52,446</b>   | <b>55,364</b>   | <b>65,113</b>        | <b>56,939</b>   | <b>56,939</b>      | <b>66,104</b>                                       | <b>69,537</b>          | <b>72,994</b>          |
| <b>Specialised vehicles</b>                                         | <b>-</b>        | <b>-</b>        | <b>1,153</b>    | <b>1,450</b>         | <b>1,510</b>    | <b>1,510</b>       | <b>1,586</b>                                        | <b>1,665</b>           | <b>1,748</b>           |
| Refuse                                                              | -               | -               | 854             | 1,200                | 1,200           | 1,200              | 1,260                                               | 1,323                  | 1,389                  |
| Fire                                                                | -               | -               | 299             | 250                  | 310             | 310                | 326                                                 | 342                    | 359                    |
| Conservancy                                                         | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Ambulances                                                          | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>R&amp;M as a % of PPE</b>                                        | <b>3.1%</b>     | <b>2.8%</b>     | <b>3.0%</b>     | <b>3.1%</b>          | <b>2.7%</b>     | <b>2.7%</b>        | <b>3.1%</b>                                         | <b>3.0%</b>            | <b>3.0%</b>            |
| <b>R&amp;M as % Operating Expenditure</b>                           | <b>8.2%</b>     | <b>7.3%</b>     | <b>6.5%</b>     | <b>6.7%</b>          | <b>5.7%</b>     | <b>5.7%</b>        | <b>6.7%</b>                                         | <b>6.7%</b>            | <b>6.8%</b>            |

**Table 34 – SA34d: Depreciation by asset class**

| Description                                  | 2008/9          | 2009/10         | 2010/11         | Current Year 2011/12 |                 |                    | 2012/13 Medium Term Revenue & Expenditure Framework |                        |                        |
|----------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                              | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2012/13                                 | Budget Year +1 2013/14 | Budget Year +2 2014/15 |
| <b>R thousand</b>                            |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Depreciation by Asset Class/Sub-class</b> |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>Infrastructure</b>                        | <b>44,583</b>   | <b>66,843</b>   | <b>82,442</b>   | <b>79,802</b>        | <b>91,014</b>   | <b>91,014</b>      | <b>89,971</b>                                       | <b>84,920</b>          | <b>82,355</b>          |
| Infrastructure - Road transport              | 17,745          | 33,460          | 38,484          | 37,617               | 40,380          | 40,380             | 40,113                                              | 38,579                 | 37,416                 |
| Roads, Pavements & Bridges                   | 17,745          | 33,460          | 38,484          | 37,617               | 40,380          | 40,380             | 40,113                                              | 38,579                 | 37,416                 |
| Storm water                                  | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Infrastructure - Electricity                 | 8,585           | 9,953           | 12,687          | 11,288               | 13,494          | 13,494             | 13,314                                              | 12,345                 | 11,938                 |
| Generation                                   | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Transmission & Reticulation                  | 8,585           | 9,953           | 12,687          | 11,288               | 13,494          | 13,494             | 13,314                                              | 12,345                 | 11,938                 |
| Street Lighting                              | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Infrastructure - Water                       | 10,008          | 12,737          | 17,616          | 18,411               | 22,939          | 22,939             | 22,570                                              | 21,876                 | 21,451                 |
| Dams & Reservoirs                            | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Water purification                           | 4,637           | 4,758           | 8,755           | 8,002                | 12,015          | 12,015             | 11,897                                              | 11,606                 | 11,434                 |
| Reticulation                                 | 5,371           | 7,978           | 8,861           | 10,410               | 10,925          | 10,925             | 10,674                                              | 10,270                 | 10,017                 |
| Infrastructure - Sanitation                  | 7,436           | 9,544           | 12,070          | 11,349               | 12,562          | 12,562             | 12,438                                              | 10,977                 | 10,815                 |
| Reticulation                                 | 4,914           | 7,809           | 10,388          | 9,978                | 10,860          | 10,860             | 10,752                                              | 10,310                 | 10,157                 |
| Sewerage purification                        | 2,522           | 1,735           | 1,681           | 1,371                | 1,702           | 1,702              | 1,686                                               | 668                    | 658                    |
| Infrastructure - Other                       | 809             | 1,150           | 1,586           | 1,137                | 1,639           | 1,639              | 1,536                                               | 1,143                  | 735                    |
| Waste Management                             | 809             | 1,150           | 1,586           | 1,137                | 1,639           | 1,639              | 1,536                                               | 1,143                  | 735                    |
| Transportation                               | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Gas                                          | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other                                        | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Community</b>                             | <b>5,233</b>    | <b>6,812</b>    | <b>7,713</b>    | <b>7,036</b>         | <b>8,431</b>    | <b>8,431</b>       | <b>7,847</b>                                        | <b>6,633</b>           | <b>5,742</b>           |
| Parks & gardens                              | 202             | 207             | 239             | 185                  | 239             | 239                | 234                                                 | 193                    | 180                    |
| Sportsfields & stadia                        | 1,402           | 1,673           | 2,414           | 2,326                | 2,545           | 2,545              | 2,522                                               | 2,454                  | 2,268                  |
| Swimming pools                               | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Community halls                              | 40              | 389             | 359             | 320                  | 366             | 366                | 352                                                 | 271                    | 257                    |
| Libraries                                    | 153             | 215             | 208             | 399                  | 446             | 446                | 437                                                 | 381                    | 340                    |
| Recreational facilities                      | 55              | 55              | 55              | 55                   | 56              | 56                 | 55                                                  | 55                     | 54                     |
| Fire, safety & emergency                     | 529             | 565             | 704             | 601                  | 719             | 719                | 692                                                 | 591                    | 559                    |
| Security and policing                        | 905             | 1,303           | 1,344           | 1,177                | 1,355           | 1,355              | 985                                                 | 636                    | 372                    |
| Buses                                        | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Clinics                                      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Museums & Art Galleries                      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Cemeteries                                   | 125             | 101             | 117             | 31                   | 117             | 117                | 105                                                 | 12                     | 10                     |
| Social rental housing                        | 1,610           | 2,052           | 1,927           | 1,710                | 2,241           | 2,241              | 2,175                                               | 1,838                  | 1,527                  |
| Other                                        | 211             | 252             | 346             | 232                  | 347             | 347                | 290                                                 | 201                    | 176                    |
| <b>Investment properties</b>                 | <b>3,655</b>    | <b>2,559</b>    | <b>2,467</b>    | <b>2,437</b>         | <b>2,637</b>    | <b>2,637</b>       | <b>2,601</b>                                        | <b>2,253</b>           | <b>2,028</b>           |
| Housing development                          | 3,655           | 2,559           | 2,467           | 2,437                | 2,637           | 2,637              | 2,601                                               | 2,253                  | 2,028                  |
| Other                                        | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Other assets</b>                          | <b>6,708</b>    | <b>2,987</b>    | <b>1,437</b>    | <b>3,177</b>         | <b>1,614</b>    | <b>1,614</b>       | <b>1,569</b>                                        | <b>1,233</b>           | <b>909</b>             |
| General vehicles                             | 2,676           | 1,975           | 138             | 2,241                | 139             | 139                | 138                                                 | 134                    | 95                     |
| Specialised vehicles                         | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Plant & equipment                            | 452             | 483             | 581             | 467                  | 583             | 583                | 581                                                 | 455                    | 445                    |
| Computers - hardware/equipment               | 3,405           | 114             | 268             | 97                   | 176             | 176                | 176                                                 | 160                    | 159                    |
| Furniture and other office equipment         | 170             | 414             | 432             | 371                  | 698             | 698                | 671                                                 | 480                    | 206                    |
| Abattoirs                                    | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Markets                                      | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Civic Land and Buildings                     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other Buildings                              | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other Land                                   | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Surplus Assets - (Investment or Inventory)   | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other                                        | 6               | 1               | 18              | -                    | 18              | 18                 | 4                                                   | 4                      | 4                      |
| <b>Intangibles</b>                           | <b>275</b>      | <b>362</b>      | <b>442</b>      | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| Computers - software & programming           | 275             | 362             | 442             | -                    | -               | -                  | -                                                   | -                      | -                      |
| Other (list sub-class)                       | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total Depreciation</b>                    | <b>60,454</b>   | <b>79,563</b>   | <b>94,501</b>   | <b>92,452</b>        | <b>103,696</b>  | <b>103,696</b>     | <b>101,989</b>                                      | <b>95,038</b>          | <b>91,034</b>          |

**2.6.5 Detailed capital budget per municipal vote**

Table 35 – SA36: Detailed capital budget per municipal vote

| CAPITAL BUDGET 2012/13 - 2014/15              | Budget 2012/13 - 2014/15 |                |                  |          | Funding 2012/13 |          |                |          |
|-----------------------------------------------|--------------------------|----------------|------------------|----------|-----------------|----------|----------------|----------|
| DESCRIPTION                                   | 2012/13                  | 2013/14        | 2014/15          | Priority | CRR             | EFF      | Grants         | Other    |
| <b><u>OFFICE OF THE MUNICIPAL MANAGER</u></b> |                          |                |                  |          |                 |          |                |          |
| MUNICIPAL COURT                               | 0                        | 585,000        | 315,000          | 2        | 0               |          |                |          |
| FURNITURE & FITTINGS                          | 30,000                   | 0              | 50,000           | 2        | 30,000          | 0        | 0              | 0        |
| <b>Sub-total</b>                              | <b>30,000</b>            | <b>585,000</b> | <b>365,000</b>   |          | <b>30,000</b>   | <b>0</b> | <b>0</b>       | <b>0</b> |
| <b>TOTAL: OFFICE OF THE MUNICIPAL MANAGER</b> | <b>30,000</b>            | <b>585,000</b> | <b>365,000</b>   |          | <b>30,000</b>   | <b>0</b> | <b>0</b>       | <b>0</b> |
| <b><u>CORPORATE SERVICES</u></b>              |                          |                |                  |          |                 |          |                |          |
| <b>LOCAL DEVELOPMENT</b>                      |                          |                |                  |          |                 |          |                |          |
| RESOURCE CENTRE                               | 0                        | 100,000        | 0                |          | 0               | 0        | 0              | 0        |
| <b>Sub-total</b>                              | <b>0</b>                 | <b>100,000</b> | <b>0</b>         |          | <b>0</b>        | <b>0</b> | <b>0</b>       | <b>0</b> |
| <b>GENERAL</b>                                |                          |                |                  |          |                 |          |                |          |
| OFFICE EQUIPMENT                              | 0                        | 30,000         | 0                |          | 0               | 0        | 0              | 0        |
| FURNITURE AND FITTINGS                        | 0                        |                | 20,000           |          |                 |          |                |          |
| BULK FILERS FOR PLANNING - STRATEGIES         | 200,000                  | 200,000        | 0                | 2        | 200,000         | 0        | 0              | 0        |
| <b>Sub-total</b>                              | <b>200,000</b>           | <b>230,000</b> | <b>20,000</b>    |          | <b>200,000</b>  | <b>0</b> | <b>0</b>       | <b>0</b> |
| <b>LIBRARIES</b>                              |                          |                |                  |          |                 |          |                |          |
| DISABLED TOILETS - CONVILLE LIBRARY           | 0                        | 50,000         | 0                |          | 0               | 0        | 0              | 0        |
| DISABLED TOILETS - BLANCO LIBRARY             | 0                        | 50,000         | 0                |          | 0               | 0        | 0              | 0        |
| EXTENTION OF BLANCO LIBRARY                   |                          | 300,000        |                  |          |                 |          |                |          |
| UPGRADING AND EXTENTION OF ONVILLE LIBRARY    |                          |                | 8,000,000        |          |                 |          |                |          |
| OFFICE FURNITURE                              | 23,990                   |                |                  |          |                 |          | 23,990         |          |
| PAVING AT LIBRARIES                           | 119,200                  |                |                  |          |                 |          | 119,200        |          |
| LITERACY PROGRAMME                            | 12,000                   |                |                  |          |                 |          | 12,000         |          |
| REPLACEMENT CONVILLE LIBRARY ROOF             | 150,000                  |                |                  | 2        | 150,000         |          |                |          |
| SECURITY GATE - BLANCO LIBRARY                | 200,000                  | 200,000        | 0                | 2        | 200,000         | 0        | 0              | 0        |
| <b>Sub-total</b>                              | <b>505,190</b>           | <b>600,000</b> | <b>8,000,000</b> |          | <b>350,000</b>  | <b>0</b> | <b>155,190</b> | <b>0</b> |
| <b>BUILDINGS</b>                              |                          |                |                  |          |                 |          |                |          |
| <b>TOUWSRANTEN COMMUNITY HALL</b>             |                          |                |                  |          |                 |          |                |          |
| CHAIRS & TABLES - TOUWSRANTEN HALL            | 0                        | 80,000         | 0                |          | 0               | 0        | 0              | 0        |
| <b>Sub-total</b>                              | <b>0</b>                 | <b>80,000</b>  | <b>0</b>         |          | <b>0</b>        | <b>0</b> | <b>0</b>       | <b>0</b> |

| CAPITAL BUDGET 2012/13 - 2014/15                                    | Budget 2012/13 - 2014/15 |                |                |          | Funding 2012/13 |                |          |          |
|---------------------------------------------------------------------|--------------------------|----------------|----------------|----------|-----------------|----------------|----------|----------|
| DESCRIPTION                                                         | 2012/13                  | 2013/14        | 2014/15        | Priority | CRR             | EFF            | Grants   | Other    |
| <b>CIVIC CENTRE</b>                                                 |                          |                |                |          |                 |                |          |          |
| REPLACEMENT OF AIR CONDITIONING                                     | 200,000                  | 0              | 0              | 2        | 200,000         | 0              | 0        | 0        |
| REPAIR ROOF - CIVIC CENTRE                                          | 0                        | 250,000        | 0              |          | 0               | 0              | 0        | 0        |
| <b>IT &amp; TELECOMMUNICATION</b>                                   |                          |                |                |          |                 |                |          |          |
| SCANNER                                                             | 100,000                  | 0              | 60,000         | 1        | 100,000         | 0              | 0        | 0        |
| HARDWARE                                                            | 0                        | 0              | 150,000        |          | 0               | 0              | 0        | 0        |
| SOFTWARE DEVELOPMENT                                                | 0                        | 0              | 300,000        |          | 0               | 0              | 0        | 0        |
| WIRELESS NETWORK                                                    | 0                        | 40,000         | 0              |          | 0               | 0              | 0        | 0        |
| CLOCKING SYSTEM                                                     | 200,000                  | 250,000        | 50,000         | 1        | 200,000         |                |          |          |
| ROAMING PROJECTOR                                                   | 10,000                   |                |                | 2        | 10,000          |                |          |          |
| SERVER - COLLABORATOR                                               | 250,000                  |                |                |          |                 | 250,000        |          |          |
| TELEPHONES                                                          | 0                        | 0              | 10,000         |          | 0               | 0              | 0        | 0        |
|                                                                     | <b>760,000</b>           | <b>540,000</b> | <b>570,000</b> |          | <b>510,000</b>  | <b>250,000</b> | <b>0</b> | <b>0</b> |
| <b>BLANCO COMMUNITY HALL</b>                                        |                          |                |                |          |                 |                |          |          |
| EXTENSION BLANCO HALL - AREA COORDINATOR                            |                          |                |                |          |                 |                |          |          |
| DATA PROJECTORS AND WHITE SCREEN                                    | 9,000                    | 0              | 10,000         | 2        | 9,000           | 0              | 0        | 0        |
| PAVING PARKING-BLANCO                                               | 0                        | 0              | 70,000         |          | 0               | 0              | 0        | 0        |
|                                                                     | <b>9,000</b>             | <b>0</b>       | <b>80,000</b>  |          | <b>9,000</b>    | <b>0</b>       | <b>0</b> | <b>0</b> |
| <b>THEMBALETHU COMMUNITY HALL</b>                                   |                          |                |                |          |                 |                |          |          |
| STOVE & WARMER                                                      |                          |                | 20,000         |          |                 |                |          |          |
| TABLES & CHAIRS- THEMBALETHU HALL                                   | 0                        | 0              | 80,000         |          | 0               | 0              | 0        | 0        |
| TABLES & CHAIRS- OLD THEMBALETHU HALL                               | 0                        | 0              | 40,000         |          | 0               | 0              | 0        | 0        |
| DATA PROJECTORS AND WHITE SCREEN                                    | 9,000                    | 0              | 0              | 2        | 9,000           | 0              | 0        | 0        |
| FRIDGE                                                              | 0                        | 0              | 10,000         |          | 0               | 0              | 0        | 0        |
|                                                                     | <b>9,000</b>             | <b>0</b>       | <b>150,000</b> |          | <b>9,000</b>    | <b>0</b>       | <b>0</b> | <b>0</b> |
| <b>CONVILLE COMMUNITY HALL</b>                                      |                          |                |                |          |                 |                |          |          |
| DATA PROJECTOR AND WHITE SCREEN                                     | 9,000                    | 0              | 0              | 2        | 9,000           | 0              | 0        | 0        |
|                                                                     | <b>9,000</b>             | <b>0</b>       | <b>0</b>       |          | <b>9,000</b>    | <b>0</b>       | <b>0</b> | <b>0</b> |
| <b>PACALTSDORP COMMUNITY HALL</b>                                   |                          |                |                |          |                 |                |          |          |
| KITCHEN UPGRADE & REPLACEMENT OF CEILING & FLOOR - PACALTSDORP HALL | 120,000                  | 0              | 0              | 2        | 120,000         | 0              | 0        | 0        |
| DATA PROJECTOR AND WHITE SCREEN                                     | 9,000                    | 0              | 0              | 2        | 9,000           | 0              | 0        | 0        |
| UPGR ENTRANCE - PACALTSDORP HALL                                    | 0                        | 50,000         | 0              |          | 0               | 0              | 0        | 0        |
| BURGULAR BARS AND SAFETY GATES                                      | 0                        | 0              | 40,000         |          | 0               | 0              | 0        | 0        |
|                                                                     | <b>129,000</b>           | <b>50,000</b>  | <b>40,000</b>  |          | <b>129,000</b>  | <b>0</b>       | <b>0</b> | <b>0</b> |

| GEORGE MUNICIPALITY                     |                          |           |           |          |                 |           |         |       |
|-----------------------------------------|--------------------------|-----------|-----------|----------|-----------------|-----------|---------|-------|
| CAPITAL BUDGET 2012/13 - 2014/15        | Budget 2012/13 - 2014/15 |           |           |          | Funding 2012/13 |           |         |       |
|                                         |                          |           |           |          |                 |           |         |       |
| DESCRIPTION                             | 2012/13                  | 2013/14   | 2014/15   | Priority | CRR             | EFF       | Grants  | Other |
| OTHER                                   |                          |           |           |          |                 |           |         |       |
| SCAFOLDING AND EXTENTION LADDERS        | 5,000                    | 5,000     | 0         | 1        | 5,000           | 0         | 0       | 0     |
| TOOLS                                   | 3,000                    | 3,000     | 0         | 1        | 3,000           | 0         | 0       | 0     |
|                                         | 8,000                    | 8,000     | 0         |          | 8,000           | 0         | 0       | 0     |
| Sub-total                               | 924,000                  | 678,000   | 840,000   |          | 674,000         | 250,000   | 0       | 0     |
| TOTAL: CORPORATE SERVICES               | 1,629,190                | 1,608,000 | 8,860,000 |          | 1,224,000       | 250,000   | 155,190 | 0     |
| FIRE BRIGADE                            |                          |           |           |          |                 |           |         |       |
| FURNITURE & OFFICE EQUIPMENT            | 30,000                   |           |           | 2        | 30,000          |           |         |       |
| COMPUTER HARDWARE                       | 9,000                    |           |           | 2        | 9,000           |           |         |       |
| DISASTER MANAGEMENT EQUIPMENT           | 300,000                  | 50,000    | 0         | 1        | 300,000         | 0         | 0       | 0     |
| LIFE SAVERS TOWER GWAING                | 120,000                  |           |           | 2        | 120,000         |           |         |       |
| SKID UNITS                              | 60,000                   |           |           | 2        | 60,000          |           |         |       |
| EXTENTION OF FIRE DETECTION SERVICES    | 0                        | 50,000    | 0         |          | 0               | 0         | 0       | 0     |
| Sub-total                               | 519,000                  | 100,000   | 0         |          | 519,000         | 0         | 0       | 0     |
| TRAFFIC SERVICES                        |                          |           |           |          |                 |           |         |       |
| SECURITY COUNTER                        | 150,000                  |           |           | 1        | 150,000         | 0         | 0       | 0     |
| VEHICLES                                | 1,800,000                |           |           |          | 0               | 1,800,000 | 0       | 0     |
| SCANNER                                 | 80,000                   |           |           | 1        | 80,000          |           |         |       |
| RADIO'S                                 | 100,000                  |           |           | 1        | 100,000         | 0         | 0       | 0     |
| SCANNER                                 | 0                        | 110,000   | 0         |          | 0               | 0         | 0       | 0     |
| Sub-total                               | 2,130,000                | 110,000   | 0         |          | 330,000         | 1,800,000 | 0       | 0     |
| LAW ENFORCEMENT                         |                          |           |           |          |                 |           |         |       |
| 6X 125CC SCOOTERS                       |                          |           |           |          |                 |           |         |       |
| METAL DETACTORS                         | 0                        | 80,000    | 0         |          | 0               | 0         | 0       | 0     |
| FIRE ARMS-LAW ENFORCEMENT               | 200,000                  |           |           | 2        | 200,000         | 0         | 0       | 0     |
| HANDHELD METAL DETACTORS                | 0                        | 5,000     | 0         |          | 0               | 0         | 0       | 0     |
| SECURITY CAMERAS FOR COUNCIL PROPERTIES | 400,000                  | 2,000     | 0         | 2        | 400,000         | 0         | 0       | 0     |
| REPLACEMENT OF VEHICLES                 | 0                        | 100,000   | 0         |          | 0               | 0         | 0       | 0     |
| EXTENSION OF CCTV-MAIN BUILDING         | 0                        | 50,000    | 0         |          | 0               | 0         | 0       | 0     |
| Sub-total                               | 600,000                  | 237,000   | 0         |          | 600,000         | 0         | 0       | 0     |
| TOTAL: COMMUNITY SAFETY SERVICES        | 3,249,000                | 447,000   | 0         |          | 1,449,000       | 1,800,000 | 0       | 0     |

| GEORGE MUNICIPALITY                                   | Budget 2012/13 - 2014/15 |            |            |          | Funding 2012/13 |     |            |       |
|-------------------------------------------------------|--------------------------|------------|------------|----------|-----------------|-----|------------|-------|
| CAPITAL BUDGET 2012/13 - 2014/15                      |                          |            |            |          |                 |     |            |       |
|                                                       |                          |            |            |          |                 |     |            |       |
| DESCRIPTION                                           | 2012/13                  | 2013/14    | 2014/15    | Priority | CRR             | EFF | Grants     | Other |
| <u>PLANNING AND HOUSING</u>                           |                          |            |            |          |                 |     |            |       |
| HOUSING - ADMIN                                       |                          |            |            |          |                 |     |            |       |
| FURNITURE AND FITTINGS                                | 30,000                   | 60,000     | 60,000     | 2        | 30,000          | 0   | 0          | 0     |
| COMPUTER HARDWARE                                     | 0                        | 60,000     | 50,000     |          | 0               | 0   | 0          | 0     |
| UPGRADING OF ALL BRICK HALL                           | 55,000                   |            |            | 2        | 55,000          |     |            |       |
| PURCHASE OF LAND FOR HOUSING (FIVE YEAR PLAN)         | 0                        | 0          | 2,500,000  |          | 0               | 0   | 0          | 0     |
| COMMUNITY RESIDENTIAL UNITS                           | 0                        | 0          | 6,000,000  |          | 0               | 0   | 0          | 0     |
| OLD AGE HOME (OTHER)                                  | 0                        | 0          | 2,500,000  |          | 0               | 0   | 0          | 0     |
| UPGRADING OF INFORMAL HOUSING AREAS                   | 3,500,000                | 3,500,000  | 3,500,000  |          | 0               | 0   | 3,500,000  | 0     |
| UPGRADING OF INFORMAL HOUSING AREAS (COUNCIL FUNDING) | 500,000                  | 500,000    | 500,000    | 1        | 500,000         | 0   | 0          | 0     |
| UPGRADING OF INFORMAL HOUSING AREAS UISP THEMBA       | 20,000,000               | 20,000,000 | 20,000,000 |          | 0               | 0   | 20,000,000 | 0     |
| Sub-total                                             | 24,085,000               | 24,120,000 | 35,110,000 |          | 585,000         | 0   | 23,500,000 | 0     |
| TOTAL: PLANNING & HOUSING                             | 24,085,000               | 24,120,000 | 35,110,000 |          | 585,000         | 0   | 23,500,000 | 0     |
| <u>ENVIRONMENTAL AFFAIRS</u>                          |                          |            |            |          |                 |     |            |       |
| ENVIRONMENTAL ADMIN                                   |                          |            |            |          |                 |     |            |       |
| OFFICE EQUIPMENT                                      | 0                        | 10,000     | 0          |          | 0               | 0   | 0          | 0     |
| Sub-total                                             | 0                        | 10,000     | 0          |          | 0               | 0   | 0          | 0     |
| CEMETERIES                                            |                          |            |            |          |                 |     |            |       |
| UPGR DRAINAGE - YORK STREET CEMETRY                   | 0                        | 170,000    | 50,000     |          | 0               | 0   | 0          | 0     |
| Sub-total                                             | 0                        | 170,000    | 50,000     |          | 0               | 0   | 0          | 0     |
| PARKS AND RECREATION                                  |                          |            |            |          |                 |     |            |       |
| PEDESTRIAN PATH - VICTORIA BAY                        | 0                        | 100,000    | 10,000     |          | 0               | 0   | 0          | 0     |
| PARK : THEMBALETHU                                    | 100,000                  | 100,000    | 100,000    | 2        | 100,000         |     |            |       |
| CEMETRIES - RURAL AREA                                |                          | 30,000     |            |          |                 |     |            |       |
| TRACTOR, TRAILOR & HYDROULICS                         | 0                        | 40,000     | 0          |          | 0               | 0   | 0          | 0     |
| LADDERS (X2)                                          | 0                        | 15,000     | 0          |          | 0               | 0   | 0          | 0     |
| TIRFOR WINCH (X2)                                     | 0                        | 0          | 8,000      |          | 0               | 0   | 0          | 0     |
| EDGE CUTTERS (X2)                                     | 0                        | 10,000     | 0          |          | 0               | 0   | 0          | 0     |
| HEDGE TRIMMER                                         | 0                        | 0          | 10,000     |          | 0               | 0   | 0          | 0     |
| Sub-total                                             | 100,000                  | 295,000    | 128,000    |          | 100,000         | 0   | 0          |       |

| GEORGE MUNICIPALITY                              |                          |           |           |          |                 |           |           |       |
|--------------------------------------------------|--------------------------|-----------|-----------|----------|-----------------|-----------|-----------|-------|
| CAPITAL BUDGET 2012/13 - 2014/15                 | Budget 2012/13 - 2014/15 |           |           |          | Funding 2012/13 |           |           |       |
|                                                  |                          |           |           |          |                 |           |           |       |
| DESCRIPTION                                      | 2012/13                  | 2013/14   | 2014/15   | Priority | CRR             | EFF       | Grants    | Other |
| CLEANSING AND ENVIRONMENTAL HEALTH               |                          |           |           |          |                 |           |           |       |
| WASTE COLLECTION - RURAL AREAS                   | 200,000                  | 100,000   | 100,000   | 2        | 200,000         | 0         | 0         | 0     |
| WHEELY BINS                                      | 0                        | 500,000   | 500,000   |          |                 |           |           |       |
| BULK REFUSE CONTAINERS                           | 200,000                  | 200,000   | 250,000   | 1        | 200,000         | 0         | 0         | 0     |
| REFUSE TRUCK FOR CONTAINERS                      | 5,600,000                | 0         | 0         |          | 0               | 5,600,000 | 0         | 0     |
| REPLACE REFUSE TRUCKS                            | 1,000,000                | 2,000,000 | 2,000,000 |          | 0               | 1,000,000 | 0         | 0     |
| UPGRADING PUBLIC TOILETS                         | 0                        | 200,000   | 100,000   |          | 0               | 0         | 0         | 0     |
| UPGRADING TOILETS - BEACH AREAS                  | 0                        | 100,000   | 100,000   |          | 0               | 0         | 0         | 0     |
| NEW LANDFILL SITE UNIONDALE                      | 1,000,000                | 2,000,000 | 1,000,000 | 2        | 1,000,000       | 0         | 0         | 0     |
| REHABILITATION OF REFUSE SITE                    | 300,000                  | 100,000   | 0         | 1        | 300,000         | 0         | 0         | 0     |
| BUILDING OF COMPOST PLANT                        | 0                        | 100,000   | 100,000   |          | 0               | 0         | 0         | 0     |
| TRANSPORT CONTAINERS                             | 200,000                  | 0         | 200,000   | 1        | 200,000         | 0         | 0         | 0     |
| NEW PUBLIC TOILETS - CBD                         | 0                        | 0         | 300,000   |          | 0               | 0         | 0         | 0     |
| EXTENSION OF TRANSFER STATION                    | 0                        | 500,000   | 1,000,000 |          | 0               | 0         | 0         | 0     |
| Sub-total                                        | 8,500,000                | 5,800,000 | 5,650,000 |          | 1,900,000       | 6,600,000 | 0         | 0     |
| SPORT MAINTENANCE & UPGRADING                    |                          |           |           |          |                 |           |           |       |
| BASEBALL FACILITY-PACALTSDORP                    | 0                        | 100,000   | 0         |          | 0               | 0         | 0         | 0     |
| BRUSH CUTTER                                     | 0                        | 10,000    | 0         |          | 0               | 0         | 0         | 0     |
| TURF CUTTER                                      | 8,000                    | 0         | 10,000    | 2        | 8,000           | 0         | 0         | 0     |
| SNAPPER                                          | 0                        | 20,000    | 0         |          | 0               | 0         | 0         | 0     |
| PAVILION COMPLETION-ROSEMORE                     | 2,000,000                | 50,000    | 0         |          | 0               | 0         | 2,000,000 | 0     |
| UPGRADING OF SWIMMING POOL                       | 0                        | 10,000    | 10,000    |          | 0               | 0         | 0         | 0     |
| UPGRADING OUTENIQUA BOWLING CLUB                 | 0                        | 0         | 20,000    |          | 0               | 0         | 0         | 0     |
| UPGRADING INFRASTRUCTURE TOUWSRANTEN             | 0                        | 80,000    | 0         |          | 0               | 0         | 0         | 0     |
| ABLUSION FACILITIES - ROSEMORE SPORTGROUND       | 0                        | 50,000    | 50,000    |          | 0               | 0         | 0         | 0     |
| PACALTSDORP CLUB HOUSE                           | 0                        | 50,000    | 0         |          | 0               | 0         | 0         | 0     |
| REGIONAL SPORT COMPLEX ERF 325                   |                          |           | 500,000   |          |                 |           |           |       |
| THEMBALETHU SPORT FACILITIES                     |                          | 50,000    | 50,000    |          |                 |           |           |       |
| PACALTSDORP SPORT FACILITIES                     |                          | 0         | 50,000    |          |                 |           |           |       |
| UPGRADING OF CRICKET CLUBHOUSE -BLANCO           |                          |           | 10,000    |          |                 |           |           |       |
| UPGRADING OF CRICKET PITCH -PACALTSDORP          |                          | 25,000    | 0         |          |                 |           |           |       |
| FENCING NEW DAWN PARK SPORTFIELD                 | 0                        | 30,000    | 30,000    |          | 0               | 0         | 0         | 0     |
| UPGRADING PAVILION - PACALTSDORP                 | 0                        | 100,000   | 50,000    |          | 0               | 0         | 0         | 0     |
| UPGRADING OF FACILITIES - CONVILLE SWIMMING POOL |                          | 10,000    | 10,000    |          |                 |           |           |       |
| BUILDING/SPORT INFRASTRUCTURE-THEMBALETHU        | 0                        | 0         | 20,000    |          | 0               | 0         | 0         | 0     |
| CREATION OF INFRASTRUCTURE-MARAISKAMP            | 0                        | 20,000    | 10,000    |          | 0               | 0         | 0         | 0     |
| ABLUSION FACILITIES - LAWAAIKAMP SPORTGROUND     | 0                        | 50,000    | 10,000    |          | 0               | 0         | 0         | 0     |
| Sub-total                                        | 2,008,000                | 655,000   | 830,000   |          | 8,000           | 0         | 2,000,000 | 0     |
| TOTAL: ENVIRONMENTAL AFFAIRS                     | 10,608,000               | 6,930,000 | 6,658,000 |          | 2,008,000       | 6,600,000 | 2,000,000 | 0     |

| CAPITAL BUDGET 2012/13 - 2014/15                | Budget 2012/13 - 2014/15 |                   |                   |          | Funding 2012/13  |                  |                   |          |
|-------------------------------------------------|--------------------------|-------------------|-------------------|----------|------------------|------------------|-------------------|----------|
| DESCRIPTION                                     | 2012/13                  | 2013/14           | 2014/15           | Priority | CRR              | EFF              | Grants            | Other    |
| <b><u>CIVIL AND TECHNICAL SERVICES</u></b>      |                          |                   |                   |          |                  |                  |                   |          |
| FURNITURE AND FITTINGS                          | 0                        | 50,000            | 50,000            |          | 0                | 0                | 0                 | 0        |
| OFFICE EQUIPMENT                                | 30,000                   | 40,000            | 400,000           | 1        | 30,000           | 0                | 0                 | 0        |
| HEALTH AND SAFETY                               | 50,000                   | 100,000           | 100,000           | 1        | 50,000           | 0                | 0                 | 0        |
| RADIO MAST AND BASE STATION                     | 100,000                  |                   |                   | 1        | 100,000          |                  |                   |          |
| ACCESS FOR DISABLED PERSONS                     | 0                        | 50,000            | 0                 |          | 0                | 0                | 0                 | 0        |
| <b>Sub-total</b>                                | <b>180,000</b>           | <b>240,000</b>    | <b>550,000</b>    |          | <b>180,000</b>   | <b>0</b>         | <b>0</b>          | <b>0</b> |
| <b><u>STREETS AND STORMWATER</u></b>            |                          |                   |                   |          |                  |                  |                   |          |
| BUILDING OF CONCRETE CANALS & DRAINS:           |                          |                   |                   |          |                  |                  |                   |          |
| THEMBALETHU,MARAISKAMP & PACALTS DORP - MAN     | 877,193                  | 1,500,000         | 1,500,000         |          | 0                | 0                | 877,193           | 0        |
| VEHICLES                                        | 1,500,000                | 0                 | 0                 |          | 0                | 1,500,000        | 0                 | 0        |
| COURTNEY STREET MEDIANS                         | 0                        | 600,000           | 0                 |          | 0                | 0                | 0                 | 0        |
| HIGH MAST LIGHTING                              | 1,260,000                |                   | 0                 | 1        | 1,260,000        | 0                | 0                 | 0        |
| REBUILDING OF STREETS: GREATER GEORGE           | 0                        | 5,000,000         | 5,000,000         |          | 0                | 0                | 0                 | 0        |
| ROBOTS AND INTERSECTION                         | 0                        | 1,000,000         | 0                 |          | 0                | 0                | 0                 | 0        |
| SPEED CALMING METHODS                           | 250,000                  | 250,000           | 0                 | 1        | 250,000          | 0                | 0                 | 0        |
| STREET RESEALING: GREATER GEORGE                | 5,000,000                | 5,000,000         | 5,000,000         | 1        | 5,000,000        | 0                | 0                 | 0        |
| UPGRADING OF NETWORK -ROADS & STORMWATER        | 2,000,000                | 5,000,000         | 5,000,000         | 1        | 2,000,000        | 0                | 0                 | 0        |
| UPGRADING OF ROUTES ON BUS ROUTES               | 1,053,500                | 1,500,000         | 0                 |          | 0                | 0                | 1,053,500         | 0        |
| BUS STOPS                                       | 3,750,000                |                   | 0                 |          | 0                | 0                | 3,750,000         | 0        |
| REMOTE BUS DEPOT                                | 750,000                  |                   | 0                 |          | 0                | 0                | 750,000           | 0        |
| INTER-URBAN TERMINUS PROJECT ( GMS)             | 6,500,000                | 0                 | 0                 |          | 0                | 0                | 6,500,000         | 0        |
| UPGRADING OF STORMWATER NETWORK:GEORGE SOUTH    | 0                        | 3,000,000         | 0                 |          | 0                | 0                | 0                 | 0        |
| THEMBALETHU / ASAZANI PUBLIC TRANSPORT          | 0                        | 1,560,000         | 0                 |          | 0                | 0                | 0                 | 0        |
| <b>Sub-total</b>                                | <b>22,940,693</b>        | <b>24,410,000</b> | <b>16,500,000</b> |          | <b>8,510,000</b> | <b>1,500,000</b> | <b>12,930,693</b> | <b>0</b> |
| <b><u>WATER - NETWORKS</u></b>                  |                          |                   |                   |          |                  |                  |                   |          |
| GENERATORS FOR PUMP STATIONS                    | 500,000                  | 500,000           | 500,000           | 1        | 250,000          | 0                | 0                 | 0        |
| GENERATORS FOR PUMP STATIONS                    |                          |                   |                   | 2        | 250,000          |                  |                   |          |
| GEORGE: WESTERN WATER SUPPLY PIPELINE - PHASE 2 | 13,060,000               | 0                 | 0                 |          | 0                | 0                | 13,060,000        | 0        |
| HANS MOESKRAAL/PACALTS DORP MAIN LINE           | 0                        | 1,000,000         | 6,000,000         |          | 0                | 0                | 0                 | 0        |
| INSTALLATION OF METERS                          | 220,000                  | 220,000           | 200,000           | 1        | 220,000          | 0                | 0                 | 0        |
| KRAAIBOSCH WATER LINE (PHASE 3)                 | 0                        | 1,000,000         | 0                 |          | 0                | 0                | 0                 | 0        |
| PROVISION OF WATER TANKS                        | 250,000                  | 500,000           | 250,000           | 1        | 150,000          | 0                | 0                 | 0        |
| PROVISION OF WATER TANKS                        |                          |                   |                   | 2        | 100,000          |                  |                   |          |
| NETWORK REHABILITATION                          | 3,000,000                | 3,000,000         | 3,000,000         | 1        | 3,000,000        | 0                | 0                 | 0        |

| GEORGE MUNICIPALITY                                                |            | Budget 2012/13 - 2014/15 |            |          |           | Funding 2012/13 |            |       |  |
|--------------------------------------------------------------------|------------|--------------------------|------------|----------|-----------|-----------------|------------|-------|--|
| CAPITAL BUDGET 2012/13 - 2014/15                                   |            |                          |            |          |           |                 |            |       |  |
|                                                                    |            |                          |            |          |           |                 |            |       |  |
| DESCRIPTION                                                        | 2012/13    | 2013/14                  | 2014/15    | Priority | CRR       | EFF             | Grants     | Other |  |
| <b>WATER - NETWORKS (CONT.)</b>                                    |            |                          |            |          |           |                 |            |       |  |
| TELEMETRY AND LOGGERS                                              | 0          | 300,000                  | 300,000    |          | 0         | 0               | 0          | 0     |  |
| THEMBALETHU BULK PIPELINE - ASAZANI                                | 0          | 12,212,500               | 14,260,000 |          | 0         | 0               | 0          | 0     |  |
| WATER TANKER                                                       | 0          | 650,000                  | 0          |          | 0         | 0               | 0          | 0     |  |
| FLATBED TRUCK                                                      | 300,000    |                          | 0          |          | 0         | 300,000         | 0          | 0     |  |
| MOBILE RADIO"S                                                     | 22,000     | 25,000                   | 25,000     | 1        | 22,000    | 0               | 0          | 0     |  |
| PRESSURE AND FLOW TESTER                                           | 200,000    | 50,000                   | 50,000     | 1        | 200,000   | 0               | 0          | 0     |  |
| PACALTSDORP BULK RETICULATION                                      | 0          | 500,000                  | 3,000,000  |          | 0         | 0               | 0          | 0     |  |
| WILDERNISS BULK STORAGE                                            |            |                          | 500,000    |          |           |                 |            |       |  |
| WILDERNISS HEIGHTS RETICULATION                                    | 0          | 300,000                  | 0          |          | 0         | 0               | 0          | 0     |  |
| Sub-total                                                          | 17,552,000 | 20,257,500               | 28,085,000 |          | 4,192,000 | 300,000         | 13,060,000 | 0     |  |
| <b>WATER-PURIFICATION</b>                                          |            |                          |            |          |           |                 |            |       |  |
| BAKKIE                                                             | 200,000    | 0                        | 0          |          | 0         | 200,000         | 0          | 0     |  |
| RAISING GARDEN ROUTE DAM - BIG                                     | 2,631,579  | 14,500,000               | 0          |          | 0         | 0               | 2,631,579  | 0     |  |
| WATER TREATMENT WORKS - 3 RESERVOIRS                               | 0          | 1,000,000                | 10,000,000 |          | 0         | 0               | 0          | 0     |  |
| WILDERNIS WTW UPGRADE                                              | 0          | 0                        | 0          |          | 0         | 0               | 0          | 0     |  |
| EXTENSION OF WATERWORKS - MIG                                      | 0          | 0                        | 1,000,000  |          | 0         | 0               | 0          | 0     |  |
| BLANCO RESERVOIR                                                   | 0          | 500,000                  | 0          |          | 0         | 0               | 0          | 0     |  |
| TELEMETRY                                                          | 500,000    | 500,000                  | 500,000    | 1        | 500,000   | 0               | 0          | 0     |  |
| Sub-total                                                          | 3,331,579  | 16,500,000               | 11,500,000 |          | 500,000   | 200,000         | 2,631,579  | 0     |  |
| <b>SEWERAGE NETWORKS</b>                                           |            |                          |            |          |           |                 |            |       |  |
| GULLEYS                                                            | 200,000    | 200,000                  | 200,000    | 1        | 200,000   | 0               | 0          | 0     |  |
| GENERATORS FOR PUMP STATIONS                                       | 500,000    | 3,000,000                | 3,000,000  | 1        | 500,000   | 0               | 0          | 0     |  |
| GENERATORS FOR PUMP STATIONS                                       | 500,000    | 0                        | 0          | 2        | 500,000   | 0               | 0          | 0     |  |
| KRAAIBOSCH/VICTORIA BAY SEWER                                      | 0          | 500,000                  | 0          |          | 0         | 0               | 0          | 0     |  |
| NETWORK REHABILITATION                                             | 2,000,000  | 3,000,000                | 3,000,000  | 1        | 2,000,000 | 0               | 0          | 0     |  |
| SEWERAGE RETICULATION: HANSMOESKRAAL                               | 0          | 500,000                  | 0          |          | 0         | 0               | 0          | 0     |  |
| SEWERAGE RETICULATION: PACALTSDORP - PHASE 2 (THEMB/ASAZANI) - MIG | 3,200,000  | 0                        | 0          |          | 0         | 0               | 3,200,000  | 0     |  |
| SEWERAGE RETICULATION: THEMBALETHU/ASAZANI                         | 0          | 15,551,120               | 22,516,500 |          | 0         | 0               | 0          | 0     |  |
| TELEMETRY AT PUMP STATIONS                                         | 0          | 200,000                  | 0          |          | 0         | 0               | 0          | 0     |  |
| UPGRADING OF EXCESS ROADS & FENCING (PUMP STATIONS)                | 250,000    | 500,000                  | 500,000    | 1        | 250,000   | 0               | 0          | 0     |  |
| UPGRADING OF MAIN NETWORK                                          | 0          | 0                        | 0          |          | 0         | 0               | 0          | 0     |  |
| UPGRADING OF PUMP STATIONS                                         | 1,500,000  | 1,500,000                | 1,500,000  | 1        | 1,500,000 | 0               | 0          | 0     |  |
| UPGRADING: ELECTRICAL SWITCHGEAR (PUMP STATIONS)                   | 1,500,000  | 1,500,000                | 1,500,000  | 1        | 1,500,000 | 0               | 0          | 0     |  |
| Sub-total                                                          | 9,650,000  | 26,451,120               | 32,216,500 |          | 6,450,000 | 0               | 3,200,000  | 0     |  |

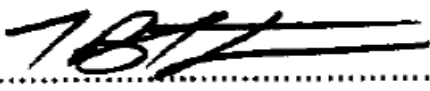
| CAPITAL BUDGET 2012/13 - 2014/15                         | Budget 2012/13 - 2014/15 |                    |                    |          | Funding 2012/13   |                  |                   |          |
|----------------------------------------------------------|--------------------------|--------------------|--------------------|----------|-------------------|------------------|-------------------|----------|
| DESCRIPTION                                              | 2012/13                  | 2013/14            | 2014/15            | Priority | CRR               | EFF              | Grants            | Other    |
| <b>SEWERAGE TREATMENT WORKS</b>                          |                          |                    |                    |          |                   |                  |                   |          |
| KLEINKRANTZ WWTW EXTENTION                               | 4,650,000                | 16,000,000         | 0                  |          | 0                 | 0                | 4,650,000         | 0        |
| OUTENIQUA WWTW REFURBISH/EXTENTION                       | 0                        | 37,500,000         | 37,500,000         |          | 0                 | 0                | 0                 | 0        |
| UPGRADING OF PURIFICATION CAPACITY                       | 0                        | 0                  | 0                  |          | 0                 | 0                | 0                 | 0        |
| LABORATORY INSTRUMENTS                                   | 300,000                  | 300,000            | 300,000            |          | 0                 | 0                | 300,000           | 0        |
| OUTENIQUA/GWAING SLUDGE HANDLING                         | 7,000,000                |                    |                    | 1        | 2,000,000         | 0                | 5,000,000         | 0        |
| GWAING WWTW EXTENTION                                    | 0                        | 0                  | 1,000,000          |          | 0                 | 0                | 0                 | 0        |
| UNIONDALE WWTW REFURBISHMENT                             | 10,725,000               | 0                  | 0                  |          | 0                 | 0                | 10,725,000        | 0        |
| TELEMATRY                                                | 500,000                  | 500,000            | 500,000            | 1        | 500,000           | 0                | 0                 | 0        |
| <b>Sub-total</b>                                         | <b>23,175,000</b>        | <b>54,300,000</b>  | <b>39,300,000</b>  |          | <b>2,500,000</b>  | <b>0</b>         | <b>20,675,000</b> | <b>0</b> |
| <b>TOTAL: CIVIL AND TECHNICAL SERVICES</b>               | <b>76,829,272</b>        | <b>142,158,620</b> | <b>128,151,500</b> |          | <b>22,332,000</b> | <b>2,000,000</b> | <b>52,497,272</b> | <b>0</b> |
| <b><u>ELECTRO-TECHNICAL SERVICES</u></b>                 |                          |                    |                    |          |                   |                  |                   |          |
| <b>FURNITURE AND FITTINGS</b>                            |                          |                    |                    |          |                   |                  |                   |          |
| <b>Sub-Total</b>                                         |                          |                    |                    |          |                   |                  |                   |          |
| <b>EXPANSION OF 66KV MAIN NETWORK</b>                    |                          |                    |                    |          |                   |                  |                   |          |
| SCHAAPKOP 132/66KV SUBSTATION - PHASE 4 (CONTROL CENTRE) | 0                        | 2,000,000          | 3,000,000          |          | 0                 | 0                | 0                 | 0        |
| ESKOM EXTENTION COSTS                                    | 6,000,000                | 0                  | 0                  | 1        | 6,000,000         | 0                | 0                 | 0        |
| EXPANSION OF MAIN RE MASTER PLAN                         | 0                        | 3,000,000          | 0                  |          | 0                 | 0                | 0                 | 0        |
| HEROLDS BAY SUBSTATION: EXPANSION OF 66KV NETWORK        | 2,000,000                | 2,000,000          | 1,000,000          | 1        | 2,000,000         | 0                | 0                 | 0        |
| HEROLDS BAY SUBSTATION: CONNECTION AND SITE PREPERATION  | 0                        | 1,000,000          | 1,000,000          |          | 0                 | 0                | 0                 | 0        |
| HEROLDS BAY SUBSTATION: SITE AND BUILDING                | 2,500,000                | 0                  | 0                  | 1        | 2,500,000         | 0                | 0                 | 0        |
| NEW 20MVA TRANSFORMERS - GEORGE                          | 0                        | 5,000,000          | 5,000,000          |          | 0                 | 0                | 0                 | 0        |
| PROTEA-GLENWOOD LINE - PHASE 1                           | 0                        | 5,000,000          | 5,000,000          |          | 0                 | 0                | 0                 | 0        |
| <b>Sub-Total</b>                                         | <b>10,500,000</b>        | <b>18,000,000</b>  | <b>15,000,000</b>  |          | <b>10,500,000</b> | <b>0</b>         | <b>0</b>          | <b>0</b> |
| <b>ENERGY MANAGEMENT</b>                                 |                          |                    |                    |          |                   |                  |                   |          |
| ENERGY MANAGEMENT - DEMAND SIDE GRANT                    | 0                        | 2,000,000          | 2,000,000          |          | 0                 | 0                | 0                 | 0        |
| LOAD CONTROL AND POWER FACTOR                            | 0                        | 1,000,000          | 1,000,000          |          | 0                 | 0                | 0                 | 0        |
| <b>Sub-Total</b>                                         | <b>0</b>                 | <b>3,000,000</b>   | <b>3,000,000</b>   |          | <b>0</b>          | <b>0</b>         | <b>0</b>          | <b>0</b> |
| <b>CONTROL PROTECTION AND COMMUNICATION</b>              |                          |                    |                    |          |                   |                  |                   |          |
| COMMUNICATION SYSTEMS                                    | 0                        | 0                  | 250,000            |          | 0                 | 0                | 0                 | 0        |
| CONTROL CENTRUM : 11 KV SAFETY                           | 200,000                  | 250,000            | 0                  | 2        | 200,000           | 0                | 0                 | 0        |
| PROTECTION SYSTEM                                        | 200,000                  | 500,000            | 500,000            | 2        | 200,000           | 0                | 0                 | 0        |
| <b>Sub-Total</b>                                         | <b>400,000</b>           | <b>750,000</b>     | <b>750,000</b>     |          | <b>400,000</b>    | <b>0</b>         | <b>0</b>          | <b>0</b> |

| CAPITAL BUDGET 2012/13 - 2014/15                               | Budget 2012/13 - 2014/15 |                  |                  |          | Funding 2012/13  |          |                  |          |
|----------------------------------------------------------------|--------------------------|------------------|------------------|----------|------------------|----------|------------------|----------|
| DESCRIPTION                                                    | 2012/13                  | 2013/14          | 2014/15          | Priority | CRR              | EFF      | Grants           | Other    |
| <b>UPGRADING AND EXTENSION OF 11KV NETWORK</b>                 |                          |                  |                  |          |                  |          |                  |          |
| EAST OF GEORGE RURAL - KRAAIBOSCH                              | 0                        | 500,000          | 500,000          |          | 0                | 0        | 0                | 0        |
| GEORGE INNER CITY                                              | 0                        | 2,000,000        | 2,000,000        |          | 0                | 0        | 0                | 0        |
| GEORGE INDUSTRIAL AREA 1 (Tamsui Pacaltsdorp)                  | 0                        | 1,000,000        | 1,000,000        |          | 0                | 0        | 0                | 0        |
| SOUTH OF GEORGE RURAL (HEROLDS BAY, HANSMOESKRAAL)             | 0                        | 500,000          | 500,000          |          | 0                | 0        | 0                | 0        |
| HEROLDS BAY ( AIRPORT AREA)                                    | 0                        | 100,000          | 500,000          |          | 0                | 0        | 0                | 0        |
| WEST OF GEORGE RURAL (BLANCO, MODDERRIVIER)                    | 0                        | 250,000          | 100,000          |          | 0                | 0        | 0                | 0        |
| BLANCO (GOLDEN VALLEY AREA)                                    | 0                        | 250,000          | 500,000          |          | 0                | 0        | 0                | 0        |
| MODDERRIVIER                                                   | 0                        | 250,000          | 100,000          |          | 0                | 0        | 0                | 0        |
| UNIONDALE                                                      | 500,000                  | 500,000          | 500,000          | 2        | 500,000          | 0        | 0                | 0        |
| THEMBALETU                                                     | 500,000                  | 500,000          | 500,000          | 1        | 500,000          | 0        | 0                | 0        |
| WILDERNIS                                                      | 500,000                  | 1,000,000        | 1,000,000        | 1        | 500,000          | 0        | 0                | 0        |
| HEROLDS BAY                                                    | 0                        | 150,000          | 250,000          |          | 0                | 0        | 0                | 0        |
| <b>Sub-Total</b>                                               | <b>1,500,000</b>         | <b>7,000,000</b> | <b>7,450,000</b> |          | <b>1,500,000</b> | <b>0</b> | <b>0</b>         | <b>0</b> |
| <b>REPLACEMENT OF OBSOLETE 11KV SWITCHGEAR &amp; EQUIPMENT</b> |                          |                  |                  |          |                  |          |                  |          |
| OVERLOADED NETWORKS: REPLACEMENT AND STRENGTHENING             | 0                        | 2,000,000        | 2,000,000        |          | 0                | 0        | 0                | 0        |
| WINERY SUB                                                     | 500,000                  |                  |                  | 2        | 500,000          | 0        | 0                | 0        |
| REPLACE OBSOLETE AND OVERLOADED 11KV SWITCHGEAR                | 1,000,000                | 2,000,000        | 2,000,000        | 1        | 1,000,000        | 0        | 0                | 0        |
| <b>Sub-Total</b>                                               | <b>1,500,000</b>         | <b>4,000,000</b> | <b>4,000,000</b> |          | <b>1,500,000</b> | <b>0</b> | <b>0</b>         | <b>0</b> |
| <b>UPGRADING OF OBSOLETE LOW VOLTAGE NETWORK CABLES</b>        |                          |                  |                  |          |                  |          |                  |          |
| L/T LINES-GEORGE                                               | 500,000                  | 1,000,000        | 1,500,000        | 2        | 500,000          | 0        | 0                | 0        |
| L/T LINES-PACALTSDORP                                          | 500,000                  | 1,000,000        | 1,000,000        | 2        | 500,000          | 0        | 0                | 0        |
| L/T LINES-UNIONDALE                                            | 0                        | 500,000          | 500,000          |          |                  | 0        | 0                | 0        |
| L/T LINES-WILDERNIS                                            | 500,000                  | 1,000,000        | 0                | 2        | 500,000          | 0        | 0                | 0        |
| <b>Sub-Total</b>                                               | <b>1,500,000</b>         | <b>3,500,000</b> | <b>3,000,000</b> |          | <b>1,500,000</b> | <b>0</b> | <b>0</b>         | <b>0</b> |
| <b>AD-HOC DEVELOPMENTS</b>                                     |                          |                  |                  |          |                  |          |                  |          |
| AD-HOC DEVELOPMENTS                                            | 0                        | 1,000,000        | 1,000,000        |          | 0                | 0        | 0                | 0        |
| <b>Sub-Total</b>                                               | <b>0</b>                 | <b>1,000,000</b> | <b>1,000,000</b> |          | <b>0</b>         | <b>0</b> | <b>0</b>         | <b>0</b> |
| <b>ELECTRIFICATION</b>                                         |                          |                  |                  |          |                  |          |                  |          |
| LOW VOLTAGE UPGRADING AND DIVERSIONS                           | 0                        | 150,000          | 200,000          |          | 0                | 0        | 0                | 0        |
| RETICULATION SCHEMES                                           | 0                        | 2,000,000        | 2,000,000        |          | 0                | 0        | 0                | 0        |
| RETICULATION - 80 ERVEN SYFERFONTEIN                           | 500,000                  |                  |                  | 1        | 500,000          |          |                  |          |
| RETICULATION SCHEMES - ERF 325 - STRATEGIES                    | 7,368,500                | 0                | 0                |          | 0                | 0        | 7,368,500        | 0        |
| INFORMAL AREAS UNDERGROUND CONNECTION - USIP                   | 1,500,000                | 1,000,000        | 2,000,000        | 1        | 1,500,000        | 0        | 0                | 0        |
| <b>Sub-Total</b>                                               | <b>9,368,500</b>         | <b>3,150,000</b> | <b>4,200,000</b> |          | <b>2,000,000</b> | <b>0</b> | <b>7,368,500</b> | <b>0</b> |

| CAPITAL BUDGET 2012/13 - 2014/15            | Budget 2012/13 - 2014/15 |                    |                    |          | Funding 2012/13   |                   |                   |          |
|---------------------------------------------|--------------------------|--------------------|--------------------|----------|-------------------|-------------------|-------------------|----------|
| DESCRIPTION                                 | 2012/13                  | 2013/14            | 2014/15            | Priority | CRR               | EFF               | Grants            | Other    |
| <b>EQUIPMENT</b>                            |                          |                    |                    |          |                   |                   |                   |          |
| COMPUTER HARDWARE                           | 0                        | 50,000             | 50,000             |          |                   | 0                 | 0                 | 0        |
| COMPUTER SOFTWARE                           | 10,000                   | 10,000             | 10,000             | 1        | 10,000            | 0                 | 0                 | 0        |
| FURNITURE AND FITTINGS                      | 30,000                   | 10,000             | 10,000             | 2        | 30,000            | 0                 | 0                 | 0        |
| ENTRANCE CONTROL AND SECURITY SYSTEMS       | 10,000                   | 5,000              | 5,000              | 1        | 10,000            | 0                 | 0                 | 0        |
| MOBILE RADIOS                               | 20,000                   | 10,000             | 10,000             | 1        | 20,000            | 0                 | 0                 | 0        |
| SAFETY EQUIPMENT                            | 50,000                   | 50,000             | 50,000             | 1        | 50,000            | 0                 | 0                 | 0        |
| TESTING EQUIPMENT                           | 200,000                  | 100,000            | 100,000            | 2        | 200,000           | 0                 | 0                 | 0        |
| <b>Sub-Total</b>                            | <b>320,000</b>           | <b>235,000</b>     | <b>235,000</b>     |          | <b>320,000</b>    | <b>0</b>          | <b>0</b>          | <b>0</b> |
| <b>UPGRADING AND EXTENSION OF BUILDINGS</b> |                          |                    |                    |          |                   |                   |                   |          |
| EXTENSION AND UPGRADING TO BUILDINGS        | 0                        | 100,000            | 15,000             |          | 0                 | 0                 | 0                 | 0        |
| SAFETY: OHSA                                | 0                        | 60,000             | 60,000             |          | 0                 | 0                 | 0                 | 0        |
| <b>Sub-Total</b>                            | <b>0</b>                 | <b>160,000</b>     | <b>75,000</b>      |          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b> |
| <b>FLEET MANAGEMENT</b>                     |                          |                    |                    |          |                   |                   |                   |          |
| PETROL MANAGEMENT SYSTEM                    | 0                        | 2,500,000          | 2,500,000          |          | 0                 | 0                 | 0                 | 0        |
| TRACKING SYSTEM                             | 0                        |                    |                    |          | 0                 | 0                 | 0                 | 0        |
| BUCKET FOR TRUCK                            | 0                        | 2,000,000          | 2,000,000          |          | 0                 | 0                 | 0                 | 0        |
| <b>Sub-total</b>                            | <b>0</b>                 | <b>4,500,000</b>   | <b>4,500,000</b>   |          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b> |
| <b>TOTAL: ELECTRO-TECHNICAL SERVICES</b>    | <b>25,088,500</b>        | <b>45,295,000</b>  | <b>43,210,000</b>  |          | <b>17,720,000</b> | <b>0</b>          | <b>7,368,500</b>  | <b>0</b> |
| <b>FINANCIAL SERVICES</b>                   |                          |                    |                    |          |                   |                   |                   |          |
| FURNITURE AND FITTINGS                      | 0                        | 50,000             | 50,000             | 2        | 0                 |                   |                   |          |
| FENCE AT STORES                             | 30,000                   | 0                  | 0                  | 2        | 30,000            | 0                 | 0                 | 0        |
| COMPUTER EQUIPMENT                          | 200,000                  | 30,000             | 30,000             | 2        | 200,000           | 0                 | 0                 | 0        |
| <b>Sub-total</b>                            | <b>230,000</b>           | <b>80,000</b>      | <b>80,000</b>      |          | <b>230,000</b>    | <b>0</b>          | <b>0</b>          | <b>0</b> |
| <b>TOTAL: FINANCIAL SERVICES</b>            | <b>230,000</b>           | <b>80,000</b>      | <b>80,000</b>      |          | <b>230,000</b>    | <b>0</b>          | <b>0</b>          | <b>0</b> |
| <b>TOTAL BUDGET</b>                         | <b>141,748,962</b>       | <b>221,223,620</b> | <b>222,434,500</b> |          | <b>45,578,000</b> | <b>10,650,000</b> | <b>85,520,962</b> | <b>0</b> |

## 2.7 Municipal Manager's Quality Certificate

I, TREVOR BOTHA, The Municipal Manager of George Municipality hereby certify that the annual budget and supporting documentation for the 2012/2013 Financial Year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the draft budget and supporting documentation are consistent with the Integrated Development Plan.

|                      |                                                                                             |
|----------------------|---------------------------------------------------------------------------------------------|
| Print Name           | <u>TREVOR BOTHA</u>                                                                         |
| Municipal Manager of | <u>GEORGE MUNICIPALITY</u>                                                                  |
| Signature            | <u></u> |
| Date                 | <u>12/04/2012</u>                                                                           |